

table allocation of funds to the several States and which will provide for the complete utilization of the funds made available by Congress for mapping purposes; to the Committee on Appropriations.

214. Also, petition of members of the New York Produce Exchange, recommending to the Congress of the United States that the eighteenth amendment should be promptly and unconditionally repealed, and that Congress shall submit to conventions of the peoples of the various States an amendment to the Federal Constitution repealing said eighteenth amendment; to the Committee on the Judiciary.

215. Also, petition of the New York Academy of Medicine, voicing its disapproval of those portions of the Volstead Act which invade the right of the State of New York to regulate the practice of medicine within its own borders, and which deprive the physician of his right to the free exercise of his judgment in the practice of his profession; to the Committee on the Judiciary.

216. By Mr. GARBER: Petition of Howard W. Hinman, major, Infantry Reserve, Oklahoma City, Okla., protesting against contemplated reductions in military appropriations for the coming fiscal year; to the Committee on Appropriations.

217. Also, petition of delegates at the Western Governors' Conference in Portland, Oreg., petitioning Congress to levy a tariff on copper; to the Committee on Ways and Means.

218. Also, petition of the board of directors of the Oklahoma Cotton Growers Association, urging opposition to any effort to place the administration of the agricultural marketing act under the supervision and control of the Secretary of Agriculture; to the Committee on Agriculture.

219. Also, petition of the Printing Industry of Oklahoma City (Inc.), protesting against suggested postal rate increase on first-class mail; to the Committee on the Post Office and Post Roads.

220. Also, petition of the Ponca City (Okla.) Automobile Dealers' Association, protesting against imposition of a 5 per cent tax on the sale of automobiles and accessories; to the Committee on Ways and Means.

221. By Mr. JOHNSON of Texas: Petition of Kay Halsell, of Bryan, Tex., opposing a sales tax on automobiles; to the Committee on Ways and Means.

222. By Mr. THOMASON: Petition of Sheep and Goat Raisers' Association of Texas, for the designation by the United States Government of substation No. 14 at Sonora, Tex., as a southwestern Federal experiment station; to the Committee on Agriculture.

223. By Mr. TARVER: Petition of De Witt C. Wynn and a number of other ex-service men of Polk County, Ga., asking for the payment in full of adjusted-service certificates; to the Committee on Ways and Means.

224. By Mr. RUDD: Petition of Western Governors' Conference, through its secretary, George C. Sutherland, Salt Lake City, Utah, favoring a tariff on copper; to the Committee on Ways and Means.

225. Also, petition of Simons-Stewart Co. (Inc.), New York City, opposing further tax on automobiles and accessories; to the Committee on Ways and Means.

226. By Mrs. KAHN: Petition of California Farmers' Convention, urging an adequate tariff as the foundation of farm relief; to the Committee on Ways and Means.

227. Also, petition of California Farmers' Convention, urging the continuation of the activities of the Federal Farm Board; to the Committee on Agriculture.

228. By Mr. HERR: Petition of Snohomish County Pomona Grange, No. 12, of Arlington, Wash., against the proposed sales tax, and in favor of an income tax based on earning power; to the Committee on Ways and Means.

229. By Mr. O'CONNOR: Resolutions of the board of managers of the New York Produce Exchange, and ratified by the members of the exchange by vote of 617 to 14, calling for repeal of the eighteenth amendment; to the Committee on the Judiciary.

230. Petition of delegates at the Western Governors' Conference in Portland, Oreg., urging Congress to levy a tariff on copper; to the Committee on Ways and Means.

231. Also, petition of Henry Strauss, Manila, P. I., urging a subsidy to help American industries and a discriminating tariff on Japanese manufactures; to the Committee on Ways and Means.

232. Also, petition of Wisconsin Conference, Methodist Episcopal Church, Ripon, Wis., urging the passage of House Joint Resolution 320, proposed constitutional amendment to prohibit sectarian appropriations; to the Committee on the Judiciary.

233. Also, petition of Tri-Cities Central Labor Council, Muscle Shoals and vicinity, Sheffield, Ala., urging that final legislation be enacted for the disposition of Muscle Shoals properties; to the Committee on Military Affairs.

234. Also, petition of citizens of North Dakota, urging legislation to grant to members of the National Farm Loan Associations a 3-year moratorium on mortgage indebtedness; to the Committee on Banking and Currency.

SENATE

TUESDAY, JANUARY 5, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou before whose all-searching sight darkness dissolveth like a dream; breathe on us now with lucid morning's fragrant breath the spirit of Thy calm as we embark upon uncharted seas, empurpled and begloomed by clouds of doubt arising from the mists of our own thought. Be Thou our chart and compass in this great emprise on which the destinies of nations now await, that by Thy presence we may know that Thou in whom we live and move wilt bring us to the haven of our hopes, molding to consummation where we fail, crowning with benediction every faithful deed. Lift from our hearts the heavy burden, the bewildering care that weighs us down, that we may feel the pulsing tenderness of God in each faint heart clasp of our human world. We would not ask for more, we dare not ask for less; yet what we ask is only in the Savior's name and for His own dear sake. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Sheppard
Austin	Cutting	Johnson	Shipstead
Bailey	Dale	Jones	Shortridge
Barbour	Davis	Kean	Smith
Barkley	Dickinson	Kendrick	Steiwer
Bingham	Dill	Keyes	Swanson
Black	Fess	King	Thomas, Idaho
Blaine	Fletcher	La Follette	Thomas, Okla.
Borah	Frazier	Logan	Townsend
Bratton	George	McGill	Trammell
Brookhart	Glass	McKellar	Vandenberg
Broussard	Glenn	McNary	Wagner
Bulkley	Gore	Metcalf	Walcott
Bulow	Hale	Morrison	Walsh, Mass.
Brynes	Harris	Moses	Walsh, Mont.
Capper	Harrison	Neely	Waterman
Caraway	Hastings	Norbeck	Watson
Connally	Hatfield	Norris	Wheeler
Coolidge	Hayden	Nye	White
Copeland	Hebert	Robinson, Ark.	
Costigan	Howell	Robinson, Ind.	

Mr. KENDRICK. My colleague the junior Senator from Wyoming [Mr. CAREY] is necessarily absent on official business. I ask that this announcement may stand for all roll calls during the day.

Mr. BLACK. I desire to announce that my colleague the junior Senator from Alabama [Mr. BANKHEAD] is necessarily absent on official business.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, favoring the passage of legislation to prohibit the manufacture and sale of oleomargarine, which was referred to the Committee on Agriculture and Forestry. (See joint resolution printed in full when presented by Mr. BLAINE on January 4, 1932, p. 1160, CONGRESSIONAL RECORD.)

He also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

STATE OF WISCONSIN.

Joint resolution relating to a national plan for land utilization and agricultural development

Whereas it is generally recognized that the present depressed state of agriculture is partially due to the uncontrolled rapid expansion of agriculture which has characterized the development of this country during the past century; and

Whereas the use of marginal and submarginal lands is one of the factors in the overproduction of practically all agricultural products, which can be remedied only through the abandonment of attempts to farm these lands and their devotion to such uses as forestry, grazing, and recreation, to which they are naturally better adapted; and

Whereas it is evident that agricultural recovery depends to a very great extent upon more intelligent planning with regard to the uses of lands, and there is urgent need that immediate steps be taken to this end: Now therefore be it

Resolved by the assembly (the senate concurring). That the Legislature of Wisconsin respectfully petitions the Congress of the United States to take immediate steps for the development of a long-time policy of land utilization and balanced agricultural production. To this end the United States Department of Agriculture, in cooperation with the several States, should be enabled to make comprehensive economic surveys of marginal and submarginal lands now devoted to agriculture to determine the uses to which they could be put to best advantage, and appropriations should be made for the development of forestry and recreational opportunities on such of these lands as are more suited to these purposes than to agriculture; be it further

Resolved. That the Congress at once take steps to withdraw all public lands from homestead entry unless detailed soil and economic surveys give conclusive evidence that such homestead entry promotes the welfare of the agriculture of the Nation, not just the State in which the homestead land is located; be it further

Resolved. That the Congress appropriate no more funds for irrigation or land reclamation projects unless it can be clearly shown that the results to be obtained from such appropriations are in accord with a sound long-time policy of land utilization and a balanced agriculture for the Nation as a whole, not just the area in which such appropriations are asked to be spent; be it further

Resolved. That properly attested copies of this resolution be sent to the President of the United States, to each of the two Houses of Congress of the United States, the Secretary of Agriculture, and also to the agricultural department of each of the several States.

HENRY A. HUBER,

President of the Senate.

R. A. COBBAN,

Chief Clerk of the Senate.

CHAS. B. PERRY,

Speaker of the Assembly.

C. E. SHAFFER,

Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a communication from the Secretary of the Navy embodying a resolution adopted by the Second Guam Congress favoring the continuance of the annual appropriation for the maintenance of the agricultural experiment station in Guam, etc., which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by a mass meeting of citizens at Benson, Minn., favoring the prompt passage of legislation known as the farmers' farm relief bill, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, relating to the conclusion of a treaty with Canada for the Great Lakes-St. Lawrence waterway, which was referred to the Committee

on Foreign Relations. (See joint resolution printed in full when presented by Mr. BLAINE on January 4, 1932, p. 1160, CONGRESSIONAL RECORD.)

He also laid before the Senate a petition of the faculty and student body of Taylor University at Upland, Ind., praying for the success of the movement for world peace and also of the disarmament conference to be held at Geneva, Switzerland, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Military Order of the World War, urging that, "In granting any further extension of the moratorium upon financial obligations arising out of the war it be stipulated that any funds or debts thus released should not directly or indirectly be loaned to or otherwise be permitted to accrue to the benefit of the Russian Soviet Government," which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the executive committee, Department of the District of Columbia, American Legion, favoring the passage of legislation making Armistice Day, November 11, a national holiday, which was referred to the Committee on the District of Columbia.

He also laid before the Senate a telegram signed by Fred D. Connolly, executive director of the Columbus (Ohio) Chamber of Commerce, on behalf of a large number of organizations assembled at that place, requesting during the duration of the present economic situation that a moratorium be placed "on partisan politics and that Congress cooperate with the administration in every sound, constructive action that will tend to alleviate the situation, bring a return of confidence, and get the wheels of commerce and industry in motion again in the interest of all the people," which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions adopted by the Florida State Chamber of Commerce at Daytona Beach, Fla., favoring the passage of legislation placing transportation for profit on the highways under proper restriction, with due regard for the safety of the public, the preservation of the highways, and the integrity of the laws which have been enacted by the several States, which were referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the Oakland (Calif.) Chamber of Commerce, favoring the naming of the new dirigible ZRS-5 the *Palo Alto*, which was referred to the Committee on Naval Affairs.

He also laid before the Senate a letter from B. F. Hall, of Wilmington, N. C., in relation to an article published in the *Wall Street Journal* of the 30th ultimo under the title of "Debts or Peace," which was referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a memorial from the Flint Motor Co. (Inc.), of Dodge City, Kans., signed by Harold Murphy, president, remonstrating against the imposition of a 5 per cent tax on motor cars, which was referred to the Committee on Finance.

He also laid before the Senate a communication from David Dickie, secretary of the Farmers' Taxpayers Association, of North Farmington, Oakland County, Mich., inclosing matter favoring a changed attitude and revision in the tax situation so as to avoid the imminent danger of the confiscation of farms and homes by undue taxation, which, with the accompanying papers, was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Wisconsin Conference of the Methodist Episcopal Church, indorsing a proposed amendment to the Constitution to prohibit sectarian appropriations, which was referred to the Committee on the Judiciary.

He also laid before the Senate a communication from Alfred M. Wolf, of New York City, inclosing an article relative to the alleviation of unemployment in connection with the economic situation and suggesting a modification of the Volstead Act so as to permit the manufacture and sale of light wines and beer of 3 per cent alcoholic content, etc.,

which, with the accompanying paper, was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the municipal council of La Paz, Province of Leyte, P. I., favoring the granting of Philippine independence as soon as possible and not beyond a period of 10 years, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate resolutions adopted by the municipal council of Basey, Province of Samar, P. I., favoring the granting of immediate, complete, and absolute independence to the Philippine Islands, which were referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a communication from Vincente Sotto, president of the Philippine Civic Union, transmitting a document by its organization committee, composed of Isauro Gabaldon and others, at Manila, P. I., in relation to the subjects of Economic Protectionism, Anti-imperialist Boycott, General Strike, and Civil Disobedience Till the Restoration of the Philippine Republic, etc., which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate resolutions adopted by the Solidaridad Filipina, Manila, P. I., favoring the passage of the so-called Timberlake bill, limiting the free entry into the United States of certain Filipino products; urging limitation of Filipino immigration thereto; the continuation of the United States Government in the Philippines for the present; and certain amendments to the Jones law, which were referred to the Committee on Territories and Insular Affairs.

Mr. BINGHAM presented resolutions adopted by the board of managers of the New York Produce Exchange, favoring the prompt and unconditional repeal of the eighteenth amendment to the Constitution, which were referred to the Committee on the Judiciary.

Mr. BLAINE presented a resolution adopted by the Wisconsin Polish Legion of American Veterans, favoring the immediate payment in cash of adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

Mr. SHIPSTEAD presented a petition of members of the Newfolden National Farm Loan Association, Newfolden, Minn., praying for the passage of legislation granting members of the National Farm Loan Association a 3-year moratorium on mortgage indebtedness, said moratorium to apply only to bona fide farmers who have lived on and operated farms for one year or more, etc., which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of members of the United States Federal jury in session at Duluth, Minn., praying for the confirmation of Gunnar H. Nordbye as United States district judge, district of Minnesota, which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented a telegram in the nature of a memorial from the Alpha Men's Class, of Collingswood, N. J., remonstrating against the holding of a referendum for the repeal of the eighteenth amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented a telegram in the nature of a memorial from the National Federation of Postal Clerks and the National Association of Letter Carriers at Passaic, N. J., remonstrating against the passage of legislation decreasing salaries, which was referred to the Committee on Civil Service.

He also presented resolutions adopted by the mayor and members of the council of the Borough of Carteret, N. J., opposing the imposition of a tariff duty on copper, which were referred to the Committee on Finance.

RECONSTRUCTION FINANCE CORPORATION

Mr. ROBINSON of Arkansas. Mr. President, I ask permission to have printed in the RECORD a statement by the representatives of various southern building and loan associations, including the names of the signers, touching Senate bill No. 1, creating a Reconstruction Finance Corporation. I

ask that the statement be referred to the Committee on Banking and Currency.

There being no objection, the statement was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

DECEMBER 29, 1931.

Re: Senate bill No. 1—Reconstruction Finance Corporation.

Hon. JOE T. ROBINSON,

Washington, D. C.

DEAR SENATOR: As suggested by you, we have carefully studied the above bill, and we take pleasure in advising you that in our opinion, if the above bill is enacted as drawn, it can be of great assistance to building and loan associations in repaying their loans to banks, and will enable them to take care of their abnormal withdrawal requests, assist many of their savers who are now in pressing need of funds, and avoid many foreclosures which would otherwise have to be made.

We are of the opinion that a rediscount privilege with the Federal reserve banks should remain in the bill as written.

With sincerest appreciation for the courtesy extended to our representatives, Messrs. Brown, Leigh, and Thompson, in the discussion of pending legislation, we remain

Very truly yours,

Little Rock Building and Loan League; Argenta Building and Loan Association, by John Hemshurp, secretary; Capital Building and Loan Association, by Lois Rainwater, president; Equitable Building and Loan Association, by E. T. Reavet, secretary; National Savings and Loan Association, by J. M. Sadler, vice president and secretary; Prudential Building and Loan Association, by J. N. Moxley; State Building and Loan Association, by D. Bessinger, secretary; Tri-State Savings and Loan Association, by O. L. Redortt, president; Commercial Building and Loan Association, by H. N. Sterling, secretary; American Building and Loan Association, by W. L. Delony, secretary; Commonwealth Building and Loan Association, by P. G. Leigh, vice president; Guaranty Building and Loan Association, by Guy E. Thompson, president; Peoples Building and Loan Association; Pulaski Building and Loan Association, by D. N. Gulley, secretary; Travelers Building and Loan Association, by Lois Rainwater, president; Union Savings, Building, and Loan Association, by Fred L. Purcell, president.

COMPULSORY MILITARY TRAINING

Mr. BARBOUR. Mr. President, I send to the desk certain resolutions adopted by the Intercollegiate Disarmament Council relative to reducing military expenditures and abolishing compulsory military training in schools and colleges, which I ask may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

The Intercollegiate Disarmament Council has sponsored a student poll in the colleges of the United States on the disarmament question. Twenty-four thousand three hundred and forty-five students in 70 colleges voted. Based upon this expression of opinion, the following resolutions were adopted at a national student mass meeting in New York City on December 30:

"Whereas 24,345 students in 70 colleges in all parts of the country have expressed their opinion in a national poll on disarmament sponsored by the Intercollegiate Disarmament Council; and

"Whereas 92 per cent of these students favor reducing armaments by 25 per cent or more; and

"Whereas 64 per cent of these students favor the United States setting an example in reducing armaments independently: Be it

"Resolved, That we respectfully request Congress to pass a resolution urging the American delegates to the World Disarmament Conference to work for an international agreement reducing military expenditures of all governments by at least 25 per cent.

"Whereas 81 per cent of these 24,345 students oppose compulsory military training in colleges: Be it

"Resolved, That we respectfully urge Congress to abolish compulsory military training in the schools and colleges."

HENRY SCHMIDT, JR.,
EDWARD G. WILMS.

PROPOSED MEMORIAL TO COMTE AND ADMIRAL DE GRASSE

Mr. COPELAND. Mr. President, I have here a resolution in the nature of a petition from the Sons of the Revolution in the State of New York relating to a proposed memorial to the Comte de Grasse in the District of Columbia, which I ask may be referred to the Committee on the Library and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

Whereas the recent Yorktown Sesquicentennial Celebration has just begun to call fitting public attention to the debt of the United States toward the Comte and Admiral de Grasse, to whom

Gen. George Washington wrote the day after the capitulation at Yorktown: "The surrender of York, which has brought so much glory and advantages to the allies, and the honor of which belongs to your excellency"; and

Whereas the illustrious leader of the American Revolution renewedly wrote to the Comte and Admiral de Grasse: "Your timely intervention has given to America independence and liberty"; and

Whereas in 150 years since the splendid victory at Yorktown the United States have nowhere erected to De Grasse monument or memorial of gratitude and have merely recorded his name upon the Yorktown Monument; and

Whereas it is being proposed, and with the approval of leading patriotic societies, that in Washington, D. C., an avenue shall be named after the Comte and Admiral de Grasse; and it is further proposed that there be erected, if possible, upon that avenue a fitting memorial to the Comte and Admiral de Grasse, of whom the late Ambassador Myron T. Herrick declared that, "On the skill, courage, and devotion of that officer depended the fate of our War of Independence"; and

Whereas there was introduced during the second session of the Seventy-first Congress, on May 24, 1930, by the Hon. Roy G. Fitzgerald, of Ohio, in the House of Representatives, a resolution known as House Joint Resolution 347, authorizing an appropriation of \$50,000 for the erection in the city of Washington, D. C., of such a memorial to the Comte de Grasse and also for a suitable public plot, place, square, circle, boulevard, or street to receive the name "De Grasse"; Therefore be it

Resolved by the Sons of the Revolution in the State of New York at its annual meeting, 1931, That the society hereby expresses its approval of the efforts that are making to testify of the national gratitude of the United States for the brilliant services to this country of the Comte and Admiral de Grasse and calls upon the Congress of the United States to erect in the city of Washington, D. C., this proposed De Grasse memorial.

GOVERNMENT BOND ISSUES

Mr. JONES. Mr. President, I have a telegram from a very prominent gentleman of my State, urging an increase in capitalization of the proposed Reconstruction Finance Corporation to \$1,000,000,000. I ask that the telegram may be referred to the Committee on Banking and Currency and printed in the RECORD.

There being no objection, the telegram was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

[Telegram]

YAKIMA, WASH., December 31, 1931.

Senator W. L. JONES,
Washington, D. C.:

Generally speaking, I believe that the market should establish values, but values of Government bond issues have dropped to such low levels that measures to support them have become urgent. To accomplish this, I think Congress should increase capitalization of proposed reconstruction corporation to \$1,000,000,000. This increase of \$500,000,000 should be devoted to purchase at par of any Government bonds that may be offered so as to maintain their parity. Effect of this would be to immediately raise depreciated Government issues to par and others perhaps above par and to strengthen the market for all other bonds, including utilities, railroads, and other high-grade issues. The last Government issue has slumped 17 per cent. The Government owes it to purchasers of its bonds to prevent such a catastrophe. Such action would facilitate future sales and would strengthen entire financial structure. The corporation would not be called on to buy many bonds, because maintenance at par would remove reason for selling, nor would Government increase its obligations. The reconstruction corporation would be in same position as national credit corporation, the mere creation of which has had stabilizing effect so as to make demands on it almost negligible.

O. A. FECHTER.

REPORT OF THE CLAIMS COMMITTEE

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 236) for the relief of Hunter P. Mulford, reported it without amendment and submitted a report (No. 28) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NYE:

A bill (S. 2629) to construct a public building for a post office at the city of Crosby, N. Dak.; to the Committee on Public Buildings and Grounds.

By Mr. HATFIELD:

A bill (S. 2631) granting a pension to Marcellus W. Mace;

A bill (S. 2632) granting a pension to Mary M. Reynolds (with accompanying papers); and

A bill (S. 2633) granting a pension to Elijah Stephens (with accompanying papers); to the Committee on Pensions.

A bill (S. 2634) for the relief of Sarah Lloyd (with an accompanying paper); to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 2635) to amend the act of June 25, 1910, entitled "An act to provide for determining the heirs of deceased Indians, for the disposal and sale of allotments of deceased Indians, for the lease of allotments, and for other purposes," so as to authorize the Secretary of the Interior to modify the terms of certain contracts when, in his judgment, it is in the interest of the Indians so to do; to the Committee on Indian Affairs.

By Mr. HEBERT:

A bill (S. 2636) for the relief of the Wakefield Trust Co., of Wakefield, R. I.; to the Committee on Claims.

By Mr. DAVIS:

A bill (S. 2637) for the relief of Anna Carroll; to the Committee on Claims.

A bill (S. 2638) granting a pension to Clarence B. Helings; to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 2639) granting the consent of Congress to the State of Montana, the counties of Roosevelt, Richland, and McCone, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Poplar, Mont.; to the Committee on Commerce.

By Mr. BLACK:

A bill (S. 2640) to adjust the pay of certain persons with prior service in the National Guard or Organized Militia who entered the service between April 6, 1917, and July 8, 1918, inclusive, other than through the draft; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 2642) to establish a commission to be known as a commission on a national museum of engineering and industry; to the Committee on Education and Labor.

A bill (S. 2643) to extend for one year immigration and naturalization privileges to alien veterans who served in the forces of the United States during the World War; to the Committee on Immigration.

A bill (S. 2644) to permit an increase in the length of leaves of absence with pay for members of the Metropolitan police, the United States park police, and the fire department of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 2645) granting a pension to Alice Bennett; and

A bill (S. 2646) granting a pension to Samuel Herkowitz; to the Committee on Pensions.

A bill (S. 2647) for the relief of the Chemical Bank & Trust Co., successors to United States Mortgage & Trust Co., of New York City, N. Y.;

A bill (S. 2648) for the relief of the Marine Trust Co., successors to Buffalo Trust Co., of Buffalo, N. Y.;

A bill (S. 2649) for the relief of the Marine Trust Co., of Buffalo, N. Y.;

A bill (S. 2650) for the relief of the Bank of New York & Trust Co., successors to New York Life Insurance & Trust Co., of New York City, N. Y.;

A bill (S. 2651) for the relief of the Marine Trust Co., of Buffalo, N. Y.;

A bill (S. 2652) for the relief of the Glen Falls Trust Co., of Glen Falls, N. Y.; and

A bill (S. 2653) for the relief of the Bank of New York & Trust Co., successors to New York Life Insurance & Trust Co., of New York City, N. Y.; to the Committee on Claims.

By Mr. BRATTON:

A bill (S. 2654) to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars; to the Committee on Public Lands and Surveys.

By Mr. KING:

A bill (S. 2656) to exempt from the quota husbands of American citizens; to the Committee on Immigration.

By Mr. JONES (by request):

A bill (S. 2657) to secure to unemployed American citizens the right to work advantageously for themselves in the pro-

duction and mutual exchange of food, shelter, clothing, and commodities; to the Committee on Finance.

By Mr. NEELY:

A bill (S. 2658) granting a pension to John E. Cutlip;

A bill (S. 2659) granting an increase of pension to Robert Blake; and

A bill (S. 2660) granting an increase of pension to John H. Jackson; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2661) granting an increase of pension to Della W. Lampson;

A bill (S. 2662) granting an increase of pension to Joseph A. Libby (with accompanying papers); and

A bill (S. 2663) granting an increase of pension to Julia L. Morrison (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 2664) to authorize the issuance of certificates of citizenship to native-born citizens; to the Committee on Immigration.

A bill (S. 2665) to amend section 505 of title 28 of the Code of Laws of the United States of America, volume 44, part 1, United States Statutes at Large, relating to payment of salaries of certain officials; to the Committee on the Judiciary.

A bill (S. 2666) for the relief of Senelma Wirkkula, also known as Selma Wirkkula;

A bill (S. 2667) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October, 1918; and

A bill (S. 2668) for the relief of the Waterous Co.; to the Committee on Claims.

A bill (S. 2669) to extend the benefits of the emergency officers' retirement act to certain emergency officers of the war with Spain, the Philippine insurrection, and the Chinese Boxer rebellion; to the Committee on Military Affairs.

By Mr. STEIWER:

A bill (S. 2670) to provide for the improvement of the Columbia and Snake Rivers; to the Committee on Commerce.

A bill (S. 2671) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon; to the Committee on Indian Affairs.

A bill (S. 2672) granting a pension to John R. Liles (with accompanying papers); and

A bill (S. 2673) granting an increase of pension to Anna Lee Duncan (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH of Massachusetts:

A bill (S. 2674) for the relief of John Thomas Simpkin; to the Committee on Naval Affairs.

By Mr. WATSON:

A bill (S. 2677) granting a pension to Harry Oaks (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A joint resolution (S. J. Res. 74) authorizing reinstatement of oil-prospecting permits; to the Committee on Public Lands and Surveys.

FEDERAL TRADE COMMISSION AND ANTITRUST LAWS

By Mr. NYE:

A bill (S. 2626) to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914;

A bill (S. 2627) to establish a Federal trade court, and for other purposes; and

A bill (S. 2628) to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

Mr. NYE. Mr. President, I have just introduced three bills, all having relation to the Federal Trade Commission and the antitrust laws. I feel it important that a word of introduction accompany them, to the end that there may be better understanding of their purpose.

I have no hesitancy in advising the Senate of the incentive behind these bills. One could not have observed the decreasing numbers of independent industries and establishments

and the increasing strength of chains of late years without catching something of a vision of the future as relates to the independent merchant and manufacturer. That vision pictures an end of the building of splendid communities of American citizens whose independent business institutions have contributed so largely to the welfare and progress of the communities. That picture prompts this legislation of which I speak. I urge that its being written into the law of the land will go far in strengthening independent industry and business men and in preventing the continued and positive inroads of monopoly. Such belief is strengthened by the testimony I have heard in part, and which will be available to the Judiciary Committee, which I expect will conduct hearings upon the program embodied in the bills—the testimony of leaders in independent trade associations and of leading business men who are fighting against the prospect of being ultimately devoured by the chains and monopoly.

The independent grocery man, dry-goods merchant, druggist, clothier, and hardware man, the owner of the small factory, the farmer interested in the continued life of his creamery or other cooperative venture, the independent operator in the oil fields, they and their kind have been the ones in mind in the drafting of this legislative program. It is they whom these bills will protect and profit. The bills do not propose giving them or any individual or group an advantage. They propose alone to afford a field for fair play in the business world. They are intended to free the channels of commerce from destructive "cut-throat" competitors, and thus permit the continued existence of thousands of honest and efficient business establishments constantly threatened by giant and would-be giant monopolies.

The antitrust laws were given to prevent the continued growth of monopoly. If they have failed to accomplish this worthy end, it need not necessarily follow that the laws should be abandoned. Instead, it might, and to my mind in this case it does, prompt a strengthening of antitrust laws.

This legislative program is based primarily on what is known as the trade practice conference. The object of these so-called trade practice conferences was to wipe out the unfair practices found to be restraining trade and injuring honest business. Under this program which I am proposing the legality of the rules resulting from the trade practice conferences would be made definite and certain, and enjoy standing. Under the present law such rules are uncertain; and, while they may enjoy standing to-day, there is no insurance of security or stability to-morrow. Likewise, there is uncertainty relative to the enforceability of such rules.

Under the present law rules are accepted and promulgated by the Federal Trade Commission to-day, and perhaps to-morrow many of them are scrapped, and some of these again confirmed by the commission the next day. The uncertainty thus occasioned has all but destroyed the usefulness of the conferences. The proposed legislation absolutely prevents this by providing a means whereby any rule has an opportunity to be judicially determined, which is not possible at present. This wipes out uncertainties; and to provide a fair competitive field is greatly to the independent dealer's advantage.

The proposed bills also declare certain practices to be illegal. For example, the selling of goods below cost, except under exceptional situations, is made illegal. Again, instead of depending on section 2 of the Clayton Act to wipe out price discrimination, price discrimination is made an unfair method of competition under the proposed section 5½. This is for the purpose of eliminating those provisions, impossible of proof, required by section 2 of the Clayton Act.

These bills also provide for making all trade practice conference rules enforceable after they have been adopted by a majority of the industry and approved by the commission or the courts. The bills also limit the time within which the commission must act and provide for the creation of the Federal Trade Commission court, which is to have jurisdiction arising through the Sherman Antitrust and other acts dealing with restraints of trade, monopoly, and unfair competition.

Under present conditions the small independent business man has no practical relief from oppression suffered by

reason of unfair competition. True it is, he may apply for relief to the courts or to the Federal Trade Commission, but by the time the long-drawn-out and expensive process is concluded he is perhaps out of business. Under the bills proposed he has the advantage of prompt relief and the securing of a fair competitive field, wherein neither large nor small has any unfair advantage. This is a great advantage to the small dealer. For example, if his all-powerful competitors use secret rebates, or sell goods below cost, or employ other methods which necessitate unlimited capital, he would be at a disadvantage while waiting for separate proceedings to be prosecuted against each offender. Thus, the bills proposed provide for speedy and definite action in eliminating these and other unfair methods of competition. The opportunity is provided for the efficient and serviceable small dealer or manufacturer to live and succeed. Again, if and when the small concern has occasion to seek redress for treble damages provided for under the Sherman Act, instead of requiring years of time and prohibitive expense to prosecute the case, relief is afforded under the proposed bills within a matter of months.

If we can define unfair trade practices, if we can expedite the prosecution of trade practices which seem to relate to the jungle, and if we can clarify and make more understandable the antitrust laws, as these three bills of which I speak will do, I am sure we will contribute greatly to the welfare of thousands upon thousands of local and independent units of business; and by so contributing we will restore and maintain a force that has contributed mightily to American success—that force known as independent initiative.

Mr. President, I ask that the three bills which I have introduced may be printed in full in the RECORD.

There being no objection, the bills were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

S. 2626

A bill to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914

Be it enacted, etc., That the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914, is amended by adding after section 5 the following, to be known as section 5½ of said act:

"SEC. 5½. On its own motion, or whenever requested so to do by parties in interest in any trade or industry engaged in commerce, the commission is empowered and directed to invite the members of such trade or industry or any complete group or geographical division thereof to assemble at a time and place designated by the commission for the consideration, adoption, and submission to the commission of agreements initiated and voluntarily entered into by the members of such trade or industry. The assembling of the members of a trade or industry by the commission for the purposes of this section hereinafter enumerated shall be known as the trade-practice conference of such trade or industry.

"Agreements authorized under this section shall be limited to such as provide for rules of business conduct covering any or all of the following subjects: (a) Abandonment of any unfair method of competition which at the time is alleged to be used; (b) prevention of any such method which in the future is likely to be used; (c) abandonment of any business practice which in the judgment of the industry would cause or have a tendency to cause the use of any unfair method of competition; (d) establishment of any business practice which will tend to keep the channels of commerce free from the use of unfair method of competition, unreasonable restraints of trade, or monopoly in the particular trade or industry or which would have a tendency to remove incentive from members to enter into unreasonable mergers therein; and (e) establishment or discontinuance of any business conduct or practice which would, in the judgment of the commission, tend to promote the public interest and the use of fair methods of competition. The duration of such agreements shall be determined by a majority vote of those in attendance at the trade practice conference: *Provided*, That no such agreements shall run less than one year.

"Following the holding of a trade practice conference the commission shall consider the agreements there submitted to it and within a reasonable time thereafter shall determine whether or not such agreements, or any of them if uniformly observed, will unreasonably restrain trade or tend to create a monopoly. If the commission shall find that such agreement or agreements if uniformly observed will not unreasonably restrain trade or tend to create a monopoly, it shall affirmatively approve such agreement or agreements and shall so advise the members of the trade or industry participating in the trade practice conference at which such agreement or agreements were adopted. In all proceedings, public or private, whether before the Federal Trade Commission or

in any jurisdiction other than the Federal Trade Commission, the affirmative approval of a trade practice conference agreement by the commission shall be conclusive evidence of the legality of individual or concerted action conforming to its terms, taken by any member or members of the trade or industry represented at the conference.

"If, and to the extent that, the commission shall find that such agreement or agreements if uniformly observed, unreasonably restrain trade or tend to create a monopoly, it shall so advise the members of the trade or industry participating in the trade-practice conference at which such agreement or agreements were adopted. Thereafter, and within 30 days after the receipt of such written notice, the members of such trade or industry or any of them or their duly authorized representatives shall have the right to file with the commission an undertaking in writing, in the form which the commission shall prescribe and signed by the members of such trade or industry or any of them or by their representatives duly authorized therefor, in evidence of the intention on the part of the signatories thereto to enter into, perform, and carry out such agreement or agreements. Upon receipt of such written undertaking the commission shall thereupon cause to be issued against such signatories a complaint, the allegations of which shall be limited to the violation of law found by the commission to exist by reason of the entering into and/or the carrying out of said agreement, agreements, or parts thereof, and shall take such other and further proceedings in connection therewith in the manner and form prescribed in section 5 of this act.

"Proceedings for the review of the commission's order shall be had in accordance with and under the circumstances and conditions provided in section 5 of this act.

"All provisions of existing law inconsistent with or repugnant to the provisions of this section or which prevent the provisions of this section from becoming fully effective are hereby suspended and repealed to the extent that such provisions of existing law are inconsistent with or repugnant to or limit the effectiveness of the provisions of this section."

S. 2627

A bill to establish a Federal trade court, and for other purposes

Be it enacted, etc., That there is hereby established a court to be known as the Federal trade court (hereinafter referred to as the court) which shall be composed of 1 chief justice and 11 associate justices, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold their offices during good behavior. The chief justice shall be so designated in the order of appointment and in the commission issued to him by the President; and the associate justices shall have precedence and shall succeed to the place and powers of the chief justice, whenever he may be absent or incapable of acting, in the order of the date of their designation. Each judge shall reside within his circuit, and when appointed shall be a resident of the circuit for which he is appointed. In the case of a vacancy or of the temporary inability or disqualification, for any reason, of one of the judges of said court, the Chief Justice of the Supreme Court may, upon the request of the chief justice of said court, designate any qualified United States circuit or district judge to act in his place; and such circuit or district judge shall be duly qualified so to act.

SEC. 2. There shall be established in each of the 10 judicial circuits of the United States a branch of the court, each such branch court to be presided over by the chief justice or one of the associate justices of the court, except that two justices shall be appointed to each of the branch courts in the second and the third circuits, respectively; and, for the purposes of this act, the District of Columbia shall be included within the limits of the fourth judicial circuit. Each judge, including the chief justice, shall receive a salary of \$12,500 per annum, payable monthly from the Treasury. Each of the 10 branches of the court established by this act shall have a clerk of the court, who shall receive a salary of \$5,000 per annum, payable in like manner, and in addition to such clerks each judge shall have a personal clerk who shall receive a salary of \$2,500 per annum. Each branch court shall be a court of record and shall have an official seal which shall be judicially noticed.

SEC. 3. The jurisdiction of the court and the judges thereof shall extend to all suits, actions, or proceedings, civil or criminal, at law or in equity arising under or authorized by the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended, and the act entitled "An act to create a Federal Trade Commission, to define its power and duties, and for other purposes," approved September 26, 1914. Such jurisdiction shall be exclusive and shall extend to and include all jurisdiction, both original and appellate, under said acts now possessed by the district courts and the circuit courts of the United States and the judges thereof. Each branch court shall have jurisdiction to hear and consider all such cases when suit or other proceeding is brought against a defendant who resides in, is found in, or transacts business within such judicial circuit, and shall render judgment thereon. Such judgment shall be final, except that it shall be subject to review by the appellate division of the Federal trade court in the manner hereinafter specified, subject to the provisions of chapter 544, section 2, act of February 11, 1903, as amended by chapter 231, section 291, act of March 3, 1911, providing for appeal of suits in equity from the district court to the Supreme Court.

The court is further empowered to enforce, set aside, or modify orders of the Federal Trade Commission on the initiative of either party in the manner and to the extent heretofore authorized to be done by the circuit courts of appeal. Applications for the enforcement of its orders initiated by the Federal Trade Commission shall be filed in the branch court having jurisdiction over the other party to the proceedings as herein provided; applications to set aside orders of the commission shall be filed in the branch court for the fourth circuit.

SEC. 4. Whenever any judge by reason of any disability or necessary absence from his circuit or the accumulation or urgency of business is unable to perform speedily the work of the branch court to which he is attached, the chief justice may, if in his judgment the public interest requires, designate and assign a judge of any other branch court to act in the place or in aid of such judge for such time as the business of the said branch court may require. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the record of both the branch court from and to which a judge is designated and assigned.

SEC. 5. Each branch court shall hold regular sessions in its respective circuit, at least one such session being held in each State comprising the judicial circuit in which such branch court is located. As nearly as may be the session of each branch court shall be held in cities in which regular sessions of the circuit courts of appeal are held. Other sessions may be held at other places within the respective circuits as determined by the chief justice to be in accordance with the public interest and convenience.

SEC. 6. As to all matters coming within its jurisdiction the Federal trade court shall have appellate jurisdiction to review by appeal or writ of error final decisions, interlocutory orders, and decrees of branch courts to the same extent as heretofore possessed by the circuit courts of appeal with respect to decisions, orders, and decrees of the district courts. For the purpose of exercising its appellate jurisdiction, the several branch courts shall be divided into three groups, comprising four judges in each group, to be known, respectively, as the appellate divisions of the court. Appeals from decisions, orders, or decrees of a branch court shall be filed within 30 days with the judge of such branch court, who shall thereupon enter such appeals on the records of the branch court. Thereafter, at stated terms to be fixed by the chief justice, all appeals originating in branch courts included within each of the three appellate divisions shall be heard and determined by three of the four judges within each such appellate division, provided that in no case shall a judge who exercised original jurisdiction over a matter at issue hear or determine such matter on appeal. Sessions of each of the appellate divisions of the court as herein provided shall be held in each city in which sessions of a branch court are held, to hear and determine appeals from decisions, orders, or decrees of each such branch court. Review of judgments or decisions of the appellate divisions of the court by the Supreme Court may be had by writ of certiorari in the manner and to the extent authorized in section 240 of the Judicial Code, as amended, for the review of matters before a circuit court of appeals.

SEC. 7. In all cases within its jurisdiction the court, and each of the judges assigned thereto, shall, respectively, have and may exercise any and all of the powers of a district court and, on matters on appeal, of a circuit court of the United States and of the judges of said courts, respectively, so far as the same may be appropriate to the effective exercise of the jurisdiction hereby conferred.

SEC. 8. The provisions of this act shall not affect suits commenced in the district courts, either originally or by removal, prior to its passage; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this act had not been passed.

S. 2628

A bill to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914

Be it enacted, etc., That the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914, is amended by adding immediately after the final paragraph of section 5 thereof the following new paragraph:

"It shall be an unfair method of competition under this section for any person in the course of commerce (a) to sell or offer to sell, as a trade incentive or for the purpose of injuring a competitor, any article or commodity at or below his cost price, such cost price to be determined in accordance with the best accounting practice in the trade or business or in accordance with any basis or method prescribed by the commission; (b) to discriminate in price between different purchasers of commodities, not including discrimination in price on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition; and (c) to violate any rule adopted at a trade practice conference by the industry of which he is a member: *Provided*, That such rule was subsequently approved or accepted by the Federal Trade Commission or by a court of record: *Provided further*, That any person who

within one year from the date any trade practice becomes effective as to him finds that any such rule has or will work an undue hardship in the conduct of his business may file with the commission a petition in writing duly executed under oath to revoke such rule. If the commission then has reason to believe that such rule may be unduly oppressive, it shall investigate the matter, and if, in the opinion of the commission, said rule is unduly oppressive, the commission shall revoke the same and notify the members of the industry of its action or notify the person or persons authorized by the conference to represent them of its action. Thereafter the commission shall issue its complaint against any who continue or revive such rule.

"A trade incentive, as used in this section, shall not be construed to apply to a final closing out of a business or to other transactions made in good faith which, in the judgment of the commission, were justified by extraordinary temporary circumstances.

"This amendment shall be construed as an interpretation but not as in limitation of the powers of the Federal Trade Commission to prevent the use of unfair methods of competition in commerce."

PROPOSED FINANCIAL LEGISLATION

Mr. BORAH. Mr. President, I introduce a bill which was prepared by Mr. Lafferty, formerly a Member of the House of Representatives. I introduce it by request.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2630) to provide for "ounce" coins and "ounce" Treasury notes, to revive world trade and commerce, and to make possible the payment of debts, foreign and domestic, was read twice by its title and referred to the Committee on Finance.

VALUATION OF PROPERTY ACQUIRED BY THE GOVERNMENT

Mr. BLAINE. Mr. President, in line with the President's suggestions respecting the promotion of economy in the administration of government, I introduce a bill to place the valuation of property acquired by the Government under the building program under the jurisdiction of the valuation bureau of the Interstate Commerce Commission. I ask that the bill may be referred to the Committee on Expenditures in the Executive Departments.

The bill (S. 2641) to amend the act of May 25, 1926, entitled "An act to provide for the construction of certain public buildings, and for other purposes," was read twice by its title and referred to the Committee on Expenditures in the Executive Departments.

CHANGE OF PROCEDURE IN CRIMINAL PROSECUTIONS

Mr. BRATTON. I introduce a bill in connection with which I desire to make a brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from New Mexico is recognized.

Mr. BRATTON. Mr. President, it will be recalled that the fifth amendment to the Constitution provides that—

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury.

Under the present system in the United States there is no way by which a person who has violated a Federal statute involving a felony may be prosecuted except upon an indictment returned by a grand jury. That occasions delay in the administration of the Federal criminal law and expense in its enforcement. In many of the sparsely populated regions of the country Federal grand juries meet infrequently, sometimes three and sometimes even six months apart. If in the meantime a person violates a Federal statute the violation of which is a felony, there is no way by which the offender may be brought to the bar of justice until a grand jury convenes, whether that be three or six months thereafter. Oftentimes the offender admits his guilt instantly upon arrest and desires to enter a plea of guilty and begin serving his sentence, but under the existing system he can not do so because of the constitutional provision to which I have adverted, to the effect that no one shall be prosecuted except upon an indictment of a grand jury.

It will be recalled, too, that under two other provisions of the Constitution it is guaranteed that no person shall be convicted except by an impartial jury; but in April, 1930, the Supreme Court of the United States, in the case of Patton et al. against United States, reported in Two hundred and eighty-first United States Reports at page 276, held that

that was a personal right in the nature of protection which the accused might waive; that upon such waiver and consent thereto he might be tried before a jury of less than 12 men or before a Federal judge without a jury. The decision is based upon the theory that the constitutional provision affords a personal right which the accused may waive.

I entertain no doubt, Mr. President, that the Supreme Court, following the argument in that case and the reasoning there advanced, will hold that the right to be prosecuted only by an indictment is a personal right which an accused person may waive; but an act of Congress is necessary to authorize prosecutions upon information, because under the common law existing at the time we separated from the mother country only misdemeanors could be prosecuted upon information.

So, Mr. President, I have prepared a bill which provides that in a felony case an accused person may waive the right to an indictment and consent to the presentation of an information, and that when such waiver is entered he may be prosecuted and sentence imposed to the same effect as if he were prosecuted upon an indictment.

I think the measure is constitutional; that it will save great expense in the enforcement of the criminal laws and will speed enforcement of those laws. I hope very much that the bill may receive early consideration by the Judiciary Committee and that it may be enacted into law.

I should like to say a word further. A moment ago I referred to the infrequency with which Federal grand juries meet in the rural sections of the country. In the cities almost continuous sessions of Federal grand juries are required, and of course that is very expensive. In each case the United States attorney must conduct his investigation in order to present the matter to the grand jury. I see no sound reason why, predicated upon that investigation, the district attorney should not be empowered to prepare and present an information, if the accused waives his right to an indictment, so that the prosecution may go forward either by a plea of guilty or a trial. That will contribute to speed and economy in criminal procedure.

The bill (S. 2655) providing for waiver of prosecution by indictment in certain criminal proceedings, was read twice by its title and referred to the Committee on the Judiciary.

Mr. WALSH of Massachusetts. Mr. President, I introduce a bill providing for an emergency circulation fund, and for other purposes. In brief, it provides for a temporary issue of currency to supply the vacuum produced by hoarding and from frozen assets. Under the bill the Secretary of the Treasury is directed to have printed United States Treasury notes to be called "emergency circulation fund." Any bank, corporation, or citizen shall have the right to deposit United States bonds in amounts of \$1,000, or multiples thereof, and to receive from such fund 90 per cent of the bonds' face value in United States Treasury notes. These bonds may be redeemed within 12 months by repaying the amount borrowed with 5 per cent interest; failure to redeem within 12 months shall operate as a forfeiture of such bonds to the United States. The actual amount of the notes held in the emergency circulation fund should never be less than \$100,000,000 in excess of any outstanding advances.

In connection with this measure I call attention to the message of the President on January 4, as follows:

The discount facilities of our Federal reserve banks are restricted by law more than that of the central banks in other countries. This restriction in times such as these limits the liquidity of the banks and tends to increase the forces of deflation, cripples the smaller businesses, stifles new enterprise, and thus limits employment. I recommend an enlargement of these discount privileges to take care of emergencies. To meet the needs of our situation it will not be necessary to go even as far as the current practice of foreign institutions of similar character. Such a measure has the support of most of the governors of the Federal reserve banks.

This measure already has been presented to the House of Representatives by Representative KENT E. KELLER, of Illinois, and I ask that a letter which I have just received from him and a copy of the bill may be inserted in the RECORD. The bill has also been given very careful study by former Senator Robert L. Owen, of Oklahoma, a well-known au-

thority on banking and the Federal reserve banking system. I ask that a letter which I have received from him may also be inserted in the RECORD.

The VICE PRESIDENT. Without objection, the bill introduced by the Senator from Massachusetts and the letters submitted by him will be printed in the RECORD.

The bill (S. 2675) providing for an emergency circulation fund, and for other purposes, was read twice by its title and referred to the Committee on Finance, and, together with the letters referred to, ordered to be printed in the RECORD, as follows:

S. 2675

A bill providing for an emergency circulation fund and for other purposes

Be it enacted, etc., That the Secretary of the Treasury is hereby directed to have printed and to keep on hand United States Treasury notes under a special account to be called the "emergency circulation fund." Such notes shall be in the same denominations as the Treasury notes issued to the Federal Reserve agents. Any bank, corporation, or citizen of the United States shall have the right to deposit United States bonds in the amount of \$1,000 or multiples thereof, under rules and regulations to be prescribed by the Secretary of the Treasury, and to receive from such fund 90 per cent of the face value of such bonds in United States Treasury notes, and shall have the right at any time within 12 months to redeem such bonds by repaying in United States currency the amount so received by him on account of such bonds, with interest at the rate of 5 per cent per annum on such amount. Failure to redeem such bonds within the limit of 12 months shall operate as a forfeiture of such bonds to the United States. Any moneys received from such sale may be exchanged with other moneys in the Treasury so that this fund shall consist alone of such Treasury notes. The principal of all sums so advanced when repaid shall be returned to the "emergency circulation fund," and all interest and profits upon such advances shall be passed to the credit of the Treasury under miscellaneous receipts. The actual amount of notes held in the "emergency circulation fund" shall never be less than \$100,000,000 in excess of any outstanding advances. Said fund shall neither be increased nor diminished except in the manner provided.

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 5, 1932.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I am inclosing herewith a copy of House bill No. 6704, providing for an emergency circulation fund, and for other purposes. My reasons for introducing the bill at this time are simply these:

For two years we have been in the most serious depression of all history. The conditions, instead of improving as we had hoped they might, in my judgment, are even growing worse. Bank failures, which during the last two years have been greater in number than any other time in our history, are continuing. Moreover, the total losses resulting from these failures is far exceeding the amounts of like periods of the past.

Following the panic of October, 1929, when the bank failures began, people started withdrawing the money from the banks for fear of being caught in such failures. This has, of course, in itself contributed to additional failures. The fear has now become so great that amounts beyond belief have been withdrawn from circulation.

Legally, we have \$4,800,000,000 in circulation, but in fact there is every evidence that not one-half of that amount is in actual circulation at the present moment, although the banks of the country have abundant resources to protect their depositors, it nevertheless is the part of wisdom to look squarely at the facts in the case. If the withdrawals continue, as they appear to be doing, banks will necessarily continue to fail.

What we need, therefore, is a sufficient expansion of the currency to meet all the conditions of business even while this hoarding of money continues. It is true that the Federal reserve has increased the amount of money in circulation by \$1,200,000,000 during the past two years, but vastly more than this is now in hiding. Those who possess money have it practically hoarded, because they are guarding expenditures as never before. If we, therefore, are to prevent further bank failures, and also to give business a chance to revive, we must provide sufficient currency as a basis for the very large increase of credit which is necessary if business is to revive. There is no reason why we should not meet a currency emergency the same as any other emergency by making the necessary provision for it.

May I not call your attention to the fact that there is no danger of inflation under the terms of the bill, because it compels the accounting and cancellation of the currency within the year.

Permit me also to suggest that there is a very great misunderstanding of the meaning of inflation. It is a term generally used instead of expansion, although the two are totally different. We need and must have expansion before we can revive the business of the country.

There are 7,000,000 unemployed men in America who want jobs and must have them. Business can not operate, men can not be paid, without the necessary currency in hand for that purpose. The first step toward the solution of unemployment is to provide a sufficient amount of money to meet all these requirements. There are other steps to be taken, true enough, but this is the first one.

I am very much pleased that you see fit to introduce the same law and hope that quick action may be had in the matter.

Cordially yours,

KENT E. KELLER, M. C.

WASHINGTON, D. C., January 4, 1932.

HON. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: Permit me to express my cordial appreciation of your friendly reference to my part in helping pass the Federal reserve act. I remember with lively pleasure the cooperation of my colleagues in the Senate at that time, and of Hon. CARTER GLASS and his associates on the Committee on Banking and Currency in the House. They are entitled to the gratitude and admiration of the country.

In reply to your question as to what can be done to relieve the present depression, I gladly submit to you my views on this matter.

The country is suffering from a paralysis of credit and a hoarding of credit and currency. The cause of this condition may be easily traced to an orgy of speculation on stock exchanges. Stock values were inflated beyond reason through high-powered salesmanship and an unparalleled publicity. In the last two months of 1929 there was suddenly and violently withdrawn over \$4,500,000,000 of call loans, and the forced liquidation of very many billions of dollars worth of securities in an avalanche of selling.

The brokers' loans reached \$8,600,000,000 in October, 1929. Over eight billions of these credits have now been liquidated by forced selling. The American people have lost in market prices from October, 1929, to the present time over \$60,000,000,000 in the stocks listed on the New York Stock Exchange alone, and similar losses on the Consolidated Stock Exchange, the Curb Exchange of New York City, and the exchanges of Boston, Philadelphia, Chicago, and many other cities of the United States. Commodity values and inventories have shrunk from 98 to 68 on the wholesale markets. Money will now buy 45 per cent more on the wholesale markets than in July, 1929. It will buy more than six times as much United States Steel stock; more than six times as much of almost any of the standard stocks, and in some cases ten, fifteen, and twenty times as much. United States citizens who had relied on the stability of security issues and who had deposited such stocks as collateral have found themselves ruined through no fault of their own. The shrinkage in value of all forms of property imposed a gross loss on the people of the United States of not less than \$150,000,000,000; probably \$50,000,000,000 was inflation of value in 1929, but the psychological effect was substantially the same as if these values had been sound. It resulted in a spasm of economy sweeping the country. People of all classes cut down their consumption, which immediately resulted in cutting down production and the employment of those who produced. The unemployment of seven or eight million people, or workers, has established a vicious circle where consumption is still further decreased, and with it production.

The shrinkage of property values disturbed the banks by weakening the value of their collateral and the financial status of their borrowers. Enforced liquidation ensued to the extent of over \$5,000,000,000, causing a loss of deposits of like amount. It resulted in thousands of bank failures, 2,000 banks having failed in 1931. The 17,000,000 people who held stock, realizing their great losses, began to hoard money. The Federal reserve banks since June 30, 1929, have issued over \$1,200,000,000 of additional Federal reserve notes, which were issued to the banks and passed through the banks to depositors who have hoarded such money.

The people who refuse to spend the money except for the most urgent necessities are, to all intents and purposes, hoarding currency. And those who refuse to use their deposits in a normal manner are hoarding credit and contracting normal credit. The banks themselves are keenly sensitive to this condition and have been steadily contracting credit and hoarding currency. The public loss of confidence reflects itself in the operation of the banks.

The solution of this difficulty is to supply the country with an emergency currency which will supply the vacuum produced in our circulating medium by hoarding. Actual currency put in circulation has sixteen times the value as a bank credit. All of the banks in the United States combined have three billions of cash against fifty billions of deposits. They have less than one billion of actual cash in their vaults; about two billions of cash in their reserves which they do not employ in their normal business. They have forty billions of relatively quick assets, and seventy billions of total assets, so that they are strong; but when the people hoard currency they gravely jeopardize the stability of the whole credit structure. The only remedy which is adequate for this condition is to supply currency in whatever volume is necessary to overcome the hoarding of money.

You will remember when the World War broke out August 1, 1914, the United States Treasury sent to New York City about \$300,000,000 of currency association money. It prevented a violent panic, and all that currency was retired without any permanent expansion of our currency.

Three times on notable occasions of money panics in London the panic was abated within 48 hours by a ministerial permit authorizing the Bank of England to issue 5-pound notes against other securities than gold. The minute the people knew that they could get money upon adequate security the panic ended and commerce was restored to normal conditions.

A present adequate remedy would be to authorize the United States Treasury to issue United States Treasury notes in the same denominations as the Treasury notes furnished to the reserve

banks, and issue such notes up to 90 per cent of the face value of United States bonds, subject to an interest rate of 5 per cent, and with a requirement that such bonds should be redeemed in currency within 12 months and a penalty of forfeiture in default of such redemption. Such a temporary issue of currency would immediately relieve the country from the evils of hoarding. It would only be necessary to issue a small amount of such currency, in my opinion, because the moment the banks or the people saw that they could get money on reasonable terms against adequate security for a reasonable time their fright would vanish and money would come out of hiding and flow back into normal channels. Commodity values would immediately begin to rise, the stock market would react, and a restoration to normal would steadily take place. In my judgment, the spirit of the depression would vanish within 30 days, and in another year our business activities would go to normal, our national revenues would be restored because of restoring prosperity.

The American people in 1928 produced ninety billions of values, of which nearly twenty-five billions was a net gain above the expenses of living.

We produced as much in 1929, but under the paralysis of credit which has taken place our production this year will probably not exceed fifty billion, which is subject to a further charge of taking care of probably 20,000,000 people whose adult members are unemployed.

The plan I suggest is obviously based on common sense. It is not in the least involved, can be put into action in a few days, and will not only take the United States out of the depression but would revive, by a sound example, the credit conditions in all other nations by showing them a way out.

IMPROVEMENT OF CAPE COD CANAL

Mr. WALSH of Massachusetts. Mr. President, I introduce a bill, to be referred to the Committee on Commerce, providing for deepening, widening, and improving the Cape Cod Canal in Massachusetts.

In brief, the bill provides for the appropriation of the sum of \$23,250,000, to be expended under the direction of the Secretary of War and under the supervision of the Chief of Engineers.

In connection with this bill I call attention to the report from the Chief of Engineers on preliminary examination and survey of Cape Cod Canal, Mass., and of Buzzards Bay, Mass., at its upper end, with a view to providing additional anchorage area and improving the approaches to the Cape Cod Canal in so far as it may be the duty of the United States to improve them, which was transmitted by the Secretary of War to the Speaker of the House of Representatives in a letter dated March 3, 1931.

The Chief of Engineers states that the present condition of the canal is not satisfactory for navigation, and that a comprehensive plan of improvement was recommended by the district engineer and by the Board of Engineers for Rivers and Harbors. The Chief of Engineers concurred in these recommendations, concluding his report—House Document No. 795, page 4—as follows:

I therefore report that modification of the existing project for the Cape Cod Canal, Mass., is deemed advisable to provide a lock canal with one lock 110 feet wide and 1,000 feet in usable length, having 40 feet over the sills, and a depth in the canal and approaches of 30 feet, with a width of 250 feet in the land cut, a width through Buzzards Bay of 400 feet to Wings Neck, in a new straight alignment and of 700 feet beyond Wings Neck, together with a highway bridge of adequate vertical clearance and suitable railroad crossing and a 15-foot channel into Onset Bay, all at an estimated cost of \$23,250,000, with \$250,000 annually for maintenance. The location and design of lock and other features of the work should be left to the judgment of the Chief of Engineers.

Ever since the Government purchased the Cape Cod Canal in 1927 I have urged appropriations to improve the canal in order to make it safer and more useful for commercial purposes.

During the Seventy-first Congress I introduced a bill—S. 5044—which would have appropriated \$20,000,000 for this project, but which failed of action because the report from the Chief of Engineers was not received by the Congress until March 3, one day before adjournment.

While the measure was being considered by the Senate Committee on Commerce I wrote the Secretary of War. I ask that my letter, together with his reply, may be inserted in the RECORD:

THE VICE PRESIDENT. Without objection, the letters referred to by the Senator from Massachusetts will be printed in the RECORD.

The letters are as follows:

JANUARY 8, 1931.

Hon. PATRICK J. HURLEY,
Secretary of War, Washington, D. C.

MY DEAR SECRETARY HURLEY: With reference to proposals for improving the Cape Cod Canal by increasing the width and depth of the channel, I believe that your department shares the view entertained by business and shipping interests in New England and New York, that such an undertaking is in the interests of national defense as well as in the interests of the promotion of coastwise commerce and ought to be undertaken as speedily as plans can be formulated and the funds made available.

I recognize, as you must also, that if this project is to be undertaken at all there is every reason for expediting the matter and making a start on this work at the earliest possible date as a further contribution to alleviating the unemployment crisis and the existing business depression.

In your report to the Senate Commerce Committee, under date of December 16 last, touching on the survey of the canal and the formulation of a plan for its improvement as authorized in the rivers and harbors act of last session and undertaken by your department you state that the survey has been made by the district engineer and is now under consideration by the division engineer.

I write to inquire whether there is not some way of speeding up the progress of this report through your department and, in view of the emergency, some way of cutting the "red tape," so that Congress may have the results of the department's survey before the close of the present session and in time to appropriate money for this project. Otherwise we face the possibility of a delay of another 12 months at least.

Sincerely yours,

DAVID I. WALSH,
United States Senate.

WAR DEPARTMENT,
Washington, January 21, 1931.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: I am in receipt of your letter of January 8 relating to deepening and widening of the channel in Cape Cod Canal and to early submission of the pending survey report thereon.

The Chief of Engineers informs me it is now expected that the survey report will be ready for review by the Board of Engineers for Rivers and Harbors, as required by law, in the very near future. Transmission of the report to Congress will, I can assure you, be expedited in every way practicable.

Sincerely yours,

PATRICK J. HURLEY,
Secretary of War.

The bill (S. 2676) to provide for deepening, widening, and improving the Cape Cod Canal, Mass., was read twice by its title and referred to the Committee on Commerce.

CHANGES OF REFERENCE

On motion of Mr. NYE, the Committee on Public Lands and Surveys was discharged from the further consideration of the bill (S. 683) to amend section 13, chapter 431, of an act approved June 25, 1910 (36 Stat. L. 855), so as to authorize the Secretary of the Interior to issue trust and final patents on lands withdrawn or classified as power or reservoir sites, with a reservation of the right of the United States or its permittees to enter upon and use any part of such land for reservoir or power-site purposes, and it was referred to the Committee on Indian Affairs.

On motion of Mr. FESS, the Committee on the Library was discharged from the further consideration of the bill (S. 1086) to provide for the construction of a suitable approach to the Arlington Memorial Bridge connecting Lee Boulevard (Route 711 of Virginia) with the Memorial Bridge, and it was referred to the Committee on Public Buildings and Grounds.

STABILIZATION BOARD'S CONSTRUCTION PROJECTS

Mr. WALSH of Montana submitted a resolution (S. Res. 127), which was ordered to lie on the table, as follows:

Resolved, That the Federal Employment Stabilization Board be and it hereby is requested to transmit to the Senate a list of construction projects as contemplated in the act approved February 10, 1931, which in the judgment of said board might wisely be undertaken within the next ensuing period of six years, with information as to each such project as to the extent to which studies of the same have been prosecuted to determine their feasibility and cost and the result of such studies, indicating with respect to each project the time necessary to prepare necessary plans and specifications.

CONSTRUCTION PROJECTS PROPOSED BY THE DEPARTMENTS

Mr. WALSH of Montana submitted a resolution (S. Res. 128), which was ordered to lie on the table, as follows:

Resolved, That the Postmaster General, the Secretary of the Treasury, the Secretary of War, the Secretary of Agriculture, the

Secretary of Commerce, and the Secretary of the Interior be, and they are hereby, requested to transmit to the Senate a list of construction projects which should, in their judgment, be entered upon within the next six years under the supervision of their departments, respectively, with information as to each, of the extent to which studies have been prosecuted into the feasibility and desirability of such projects and in respect to reports concerning the same, with an estimate, so far as the same has been made, of the cost of each project listed, indicating with respect to each the time necessary to prepare or complete necessary plans and specifications.

A PROSPERITY LOAN—ADDRESS BY SENATOR LA FOLLETTE

Mr. NORRIS. Mr. President, the senior Senator from Wisconsin [Mr. LA FOLLETTE] delivered an address over a national radio hook-up on the question of a prosperity loan. I ask unanimous consent to have the address printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

Fellow citizens, we are confronted by one of the most serious crises in our history. We can not talk ourselves out of the depression. Exhortation, the juggling of statistical data, and ballyhoo have been tried and have dismally failed. We must face the facts.

Entering the third winter of depression we find industrial production has declined 43 per cent. Freight-car loadings have fallen 37 per cent. Residential building is down 80 per cent. In the last quarter of 1931 total building contracts were 51 per cent lower than the average of 1923 to 1925.

Five hundred and fifty of the largest industrial corporations had a net income in 1929 of \$3,500,000,000. At the close of 1931 it is estimated their net income will have fallen to \$1,100,000,000—a loss of \$2,400,000,000.

In the year 1929 there was defaulted approximately \$200,000,000 worth of bonds. It is estimated that by the close of this year \$2,000,000,000 worth of bonds will be in default.

The paper loss on all issues of listed bonds since 1928 amounts to approximately \$3,000,000,000.

Two thousand four hundred and eighty-eight banks failed between 1928 and 1930. Up to November 30, last, 1,932 banks had failed, making a total of 4,420 banks which have closed their doors since 1928.

According to the estimates of the industrial conference board, 7,300,000 men and women are walking the streets looking for work and unable to find it. At least 5,000,000 more are working on part time and for reduced wages. This means that with their dependents at least 50,000,000 of our population who rely upon wages have had their purchasing power drastically reduced or completely wiped out. They are no longer able to purchase the products of the farm and factory.

Dr. Leo Walmon, a noted economist, estimates the wage and salary loss during the depression to be approximately \$18,000,000,000.

Agriculture, depressed since 1920, is in a desperate situation. Six million farmers are forced to sell their crops in a glutted market at ruinous prices. Thirty millions of our people dependent upon agriculture are without purchasing power and unable to buy the products of the factory which they normally would consume.

It is evident that any proposal to remedy conditions which fails to provide purchasing power for the masses of consumers is a palliative and is doomed to fail.

Convinced that the Federal Government is the only agency able to successfully undertake a program large enough to re-create purchasing power, I have introduced a bill in the Senate providing for a \$5,500,000,000 prosperity bond issue, to be used by the Federal, State, and municipal governments in tremendously expanding their respective public-works programs. The best estimates obtainable indicate that the expenditure of this sum for construction will provide work directly and indirectly for at least 4,500,000 persons.

A well-balanced program of this magnitude will stimulate production all along the line from raw materials to finished products. Most important of all, it will stimulate a rise in commodity and security values which is absolutely essential if we are to induce recovery.

The pressure under commodity prices will come from two directions: First, from the immediate demand for finished and semi-finished products; second, from the distribution of wages and salaries which will immediately be reflected in demand for consumer goods. The flotation of the large bond issue will be an important factor in offsetting the disastrous deflation now in progress. Forcing commodity prices upward will immediately change the entire psychology of the consumer. Merchants will be encouraged to stock their stores instead of carrying the lowest inventories in modern times. Consumers will purchase millions of dollars' worth of goods which they have not bought because of declining prices.

Basic industries hard hit by the depression will be stimulated immediately by this construction program. Iron, steel, lumber, cement, brick, tile, glass, and all other building supply industries will immediately feel its repercussions. Resumption of production on an increased scale by these industries will in turn require products from mines, quarries, and forests. Large shipments of

both finished and raw materials which a program of this size will necessitate will be quickly reflected in increased traffic for the railroads.

The workers employed directly and indirectly as a result of the public works program will be once more enabled to buy shoes, clothing, food, and other necessities of life which they have been able to buy during the depression only in limited amounts or not at all. Restored purchasing power, rising commodity and security prices will enable consumers once more to purchase automobiles, radios, furniture, and other products. It will enable millions to resume payments on their outstanding obligations.

Farmers will benefit both through the restoration of demand for food and other products, through the rise in agricultural commodity prices, and, like all other debtors, they will benefit from a decrease in the purchasing power of the dollar, resulting from rising commodity prices, thus enabling them to pay off their obligations in dollars more nearly approximating the value of the dollar at the time their debts were incurred.

A five and one-half billion bond issue or so much thereof as may be necessary will restore to circulation and put to work a large part of the funds now lying idle because of the reluctance of those who have savings and capital to invest in corporate securities under prevailing conditions.

In loaning money to the Federal Government large and small investors are not required to take the hazards to which private enterprise is subject in a disorganized security market. They can be certain that the bonds which they buy will be redeemed at par.

The circulation of such huge sums of money through the channels of production and consumption will multiply several times the effect of the expenditures provided for in the bill.

In order to assure the maximum economic effectiveness and soundness of the program, the bill provides that the money shall be available for a diversified program of public works. In inaugurating this program the director of public works created under the bill shall take into consideration:

1. The facility with which projects may be gotten under way at the earliest possible date;
2. The amount of labor that will be employed, directly or indirectly;
3. The number and diversity of the industries which will be affected, directly or indirectly, by the projects;
4. The value of the projects to the economic and social welfare of the country; and
5. Economical administration of the work.

The bill divides the emergency fund into four parts. Approximately a tenth, or not over \$650,000,000, is to be used to expand construction by Federal agencies, including river, harbor, and flood-control works, Federal public buildings, forest roads and trails, and irrigation and reclamation works.

One billion dollars is set aside for additional grants to aid State public-works construction. The bill provides that the existing Federal-aid highway program shall be largely expanded. In addition, it extends during the present emergency the principle of Federal aid in three important directions—the construction of all highway bridges, the elimination of railroad grade crossings, and the elimination of important highway grade crossings.

The greatest part of the emergency fund—up to \$3,750,000,000—is made available for loans to State and local authorities. They have in the past carried on 90 per cent of public construction in the United States, and their public works contain the greatest promise of expansion, because so many of their projects are in the "blue-print" stage. The burden which these authorities are already carrying not only makes it difficult for them to enlarge their existing programs, but threatens to curtail the programs now under way. Credit conditions are so adverse that they can not float large bond issues.

The bill provides for loans to States and municipalities, both to match the Federal-aid grants and to carry on other types of construction. The purposes for which the money thus made available may be used include (1) construction of Federal-aid highways; (2) construction of other State, county, and municipal highways, streets, and pavements; (3) construction of bridges; (4) water supply and sewerage works; (5) building of flying fields; (6) establishment of parks and playgrounds; (7) construction of schools and other public buildings; (8) elimination of grade crossings; and (9) building of fire-prevention lanes and other forestry construction work.

The bill provides that loans to States and municipalities may be made for periods of not over 10 years and at a rate of interest slightly higher than paid out by the Federal Government but not higher than 5 per cent.

A most important feature of this measure is the control device which it contains. Under the terms of the bill the sale of bonds is to be stopped and no further emergency construction is to be undertaken as soon as industrial production as measured by the Federal Reserve Board index reaches a more normal point.

The \$5,500,000,000 issue of prosperity bonds to create the emergency construction fund are to be issued in denominations of \$50 and upward. The bill contemplates that the 10-year bonds shall be sold by popular subscription, much as the Liberty loan issues were floated during the war. Their retirement is provided for through the establishment of a special fund into which are to be paid the proceeds from an additional surtax, set tentatively in the bill at 2 per cent of the net income of all persons receiving an annual income of \$5,000 and over, except that persons with incomes of from \$5,000 to \$10,000—who are not now subject to

surtaxes—are permitted to deduct \$2,500 from their taxable income if married and \$1,000 if unmarried.

The measures proposed by the administration are merely devices to hospitalize the economic casualties of the depression. They are rescue agencies designed to absorb frozen assets. Their weakness lies in the fact that basic conditions are the cause of frozen assets. They may postpone failures, but they do not attack the economic situation which is threatening the solvency of industrial, financial, transportation, and mercantile enterprises. Declining security and commodity prices are among the primary causes of business paralysis.

To those who are apprehensive that a bond issue of this magnitude could not readily be floated by the Federal Government, my answer is that if we could sell \$25,000,000,000 worth of bonds during the war for purposes of destruction, it seems utterly absurd to contend that we could not float a short-term issue of Government bonds for constructive purposes. With \$28,000,000,000 in our savings banks, \$500,000,000 in postal savings, and more than a billion dollars hoarded, we are in a position readily to sell five and one-half billion dollars worth of bonds guaranteed by the Government of the United States.

The program which I have outlined will stimulate recovery of business, prevent the reduction of living standards of our people to world levels, and avert the catastrophic consequences of a prolonged continuance of the depression.

I appeal to those in this audience who do not acquiesce in a defeatist, do-nothing policy to rally to the support of this sound program for public works to stem the tide and to avert the disastrous results of uncontrolled deflation.

SHORT ADDRESS BY THEODORE F. SHUEY

Mr. ASHURST. Mr. President, on the evening of January 2 in this city a dinner was tendered by the District of Columbia Shorthand Reporters' Association to Mr. Theodore F. Shuey and Mr. Reuel Small. Mr. Shuey is now and for the past 63 years has been an official reporter of debates of the United States Senate. Mr. Small for the past 34 years has been an official reporter of debates of the House of Representatives. I ask unanimous consent to have printed in the RECORD a short address delivered by Mr. Shuey on that occasion.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

Ladies and gentlemen, this is surely a gala evening and will always be remembered. I feel that we are greatly honored by our illustrious guests, one of whom has already made a distinguished career in the Senate and the other is on the threshold of making an equally distinguished career, I am sure.

I shall not detain you long. Through force of habit, probably, I am partial to written speeches [laughter] and also, lest I may go far afield in the thought I wish to convey, I have reduced it to writing.

This happy occasion emphasizes my belief that every phase of life has its compensations, however far that life may extend beyond the psalmist's three score and ten. This is especially true when one looks back and remembers rather than forward and prophesies.

Except in length of service, my brother Small and I do not differ from our colleagues here to-night. Hard labor is the keynote of our profession, and there is no niche in it for a drone and no place known as a sinecure.

We deal in words, a most delicate subject, and the words caught on the wing are coldly recorded in type. Hence the responsibility of our task and its appreciation when well performed is our richest compensation.

Hard toil means honest toil. Skill and endurance may be termed the corner stone of our calling. We sink our personality, and this exercise of skill and power of endurance we seldom proclaim.

To picture the rapidity of our work, we may contrast it with the refrain in Hood's Song of the Shirt, the "stitch, stitch, stitch" of the seamstress, with the "write, write, write" of the shorthand reporter. Though the hand be tired and the brain weary, it is still write, write, write, and at a pace set by another.

In this exacting career there are dark hours, as there are dark hours in every pursuit. Friends may drop away, business be dull, things at the office go awry, but we must be hopeful and see the silver lining to the cloud.

There were pessimists even in the jolly days of Charles II; the Merry Monarch, at the very zenith of the reaction against the grim Puritanism of the Commonwealth. These lines appear in a forgotten play written in that period, more than 250 years ago:

"This is a very good world to live in,
To work, to spend, and to give in;
But to borrow or beg or hold a man's own
It's the very worst world that ever was known."

[Laughter.]

The longer we live the more strongly are we impressed with the fact that all the stages in life are like the run of cards as they

are dealt out in a serious game. A poor run will be followed by a good one in time, but the patience of the most optimistic is often sorely tried; however, optimism helps wonderfully.

"Twixt optimist and pessimist the difference is droll,
The optimist sees the doughnut, the pessimist the hole."

[Laughter.]

Disheartening may be the run of the cards at times in life's span, but let us bear in mind the words of Eugene Ware in his little poem Whist:

"I do not like the way the cards are shuffled,
But yet I'm in the game and bound to stay;
And through the long, long night will I, unruffled,
Play what I get until the break of day."

[Applause.]

COMMENTS ON ADDRESS OF ROBERT H. LUCAS

Mr. LOGAN. Mr. President, I send to the desk a news item and an editorial based thereon which appeared in the Lexington (Ky.) Herald of January 3, 1932. The news item is entitled "Lucas Blames Democrats for Anti-Hoover Books." The editorial is entitled "Robert H. Lucas, Director of Republican Campaign Committee, Projects Two Books as Issue." I ask unanimous consent that the news item and the editorial may be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Lexington (Ky.) Herald, January 3, 1932]

LUCAS BLAMES DEMOCRATS FOR ANTI-HOOVER BOOKS

By a staff correspondent in the New York Post

WASHINGTON, December 18.—Robert H. Lucas, executive director of the Republican National Committee, to-day told the Evening Post that he did not refer to the anonymous Mirrors of 1932 when he stated that certain recent books criticizing President Hoover "bore the earmarks" of inspiration from the Democratic organization.

He said the books he had reference to in his speech, which was prepared for but not delivered at the closing session of the Republican National Committee on Wednesday, were The Strange Career of Mr. Hoover—Under Two Flags, written by John Hamill and published by William Faro, and The Great Mistake—Can Herbert Hoover Explain His Past? by John Knox.

The "earmark" of Democratic inspiration in Under Two Flags, he continued, appeared in court proceedings in New York, which resulted in the barring of further sale of the book by Supreme Court Justice Cotillo. It was stated during this hearing, Mr. Lucas said, that the book was first suggested when Hamill met James J. O'Brien, former policeman, at Democratic national headquarters.

The Great Mistake was urged upon the reading public by an advertisement quoting an editorial in the Lexington (Ky.) Herald, Mr. Lucas continued. He pointed out that Jouett Shouse, chairman of the Democratic National Committee, for many years was connected with this newspaper and said that the owner was "one of Mr. Shouse's closest friends."

BANNED BY COTILLO

The action of Justice Cotillo in banning further sale of Under Two Flags was taken on December 16, 1931, and grew out of a suit brought by O'Brien against Hamill and the publisher, Faro.

It was stated that O'Brien and Hamill met at the headquarters of the Democratic National Committee during the 1928 presidential campaign, when Alfred E. Smith was the candidate of the Democratic Party against Mr. Hoover. O'Brien asserted that he conceived the idea of a "life" of Mr. Hoover based on official documents and other materials and arranged for Hamill to go to Europe to get copies of certain documents. He said that after part of the material had been put in manuscript form Hamill left his employ, pirated the material, and got Faro to publish the book.

Hamill denied that the material he used was unique and contended that it was "a matter of public record." Faro, formerly known as Samuel Roth, had been before the courts several times previously in connection with the publication of allegedly objectionable books.

JUSTICE ASSAILS MOTIVE

In granting the petition to bar further sales of the book, Justice Cotillo declared he had "no sympathy with the purpose of a publication which is designed with no other aim than to discredit the work of a public official and to impair his present usefulness in these trying times in the important task in which he is engaged."

"I have no quarrel with the collector of documentary material who desires to preserve data for the future weighing of personalities," the justice continued. "History is no respecter of persons. If the data are based upon fiction, history will render its own verdict. And if the person assailed is living, the libel laws will furnish him redress. But to employ such materials in publicity attacking a person's past life at a time when he is engaged in high public duties, and when he is virtually powerless to defend himself, is unfair, unsportsmanlike, and not only serves no useful purpose but is detrimental to the public interest."

In a telegram to Jouett Shouse, chairman of the Democratic National Executive Committee, George Palmer Putnam, publisher, to-day took full responsibility for the publication of the anonymous book, Mirrors of 1932, and denied the implication of a

speech by Robert H. Lucas, executive director of the Republican National Committee, that the book had been inspired by the Democratic organization.

The telegram read:

"Lucas, Republican National Committee, has charged that Raskob and Democratic committee inspired and possibly underwrote recent anonymous books unfriendly to Hoover. He alleges they bear 'earmarks of the Democratic headquarters.' Presumably Lucas refers to the book, The Mirrors of 1932, which portrays Hoover 'as our first half-shirt hero' and analyzes the Chief Executive and his political disintegration as only could be done by one with intimate knowledge.

"Neither Raskob nor Democratic committee had any hand whatsoever in the inspiration and financing of the Mirrors. The undersigned personally arranged publication of the book. If you wish I will make public the identity of the anonymous author or submit affidavits controverting Lucas.

"GEORGE PALMER PUTNAM."

ROBERT H. LUCAS, DIRECTOR OF REPUBLICAN CAMPAIGN COMMITTEE, PROJECTS TWO BOOKS AS ISSUE

We received some days since from the Republican National Committee—

"excerpts from an address by Hon. Robert H. Lucas, executive director of the Republican National Committee, to the members of the national committee at the Willard Hotel on Wednesday, December 16, at noon, and are for release at that hour."

We understand that this address was not actually delivered, but the speech comes with the authority of the national committee as having been prepared for delivery.

In that speech Mr. Lucas states:

"They [Democrats] charge, in a low sort of voice, that the President is paying more attention to foreign countries than to the welfare of our own people. That's just plain campaign bunk! But some of our people are taken in by it. They publish scandal books by unnamed authors bearing the earmarks of the Democratic headquarters. And yet some of our people are fooled by it."

In an interview in the New York Evening Post, reprinted in other columns of this issue, this same Robert H. Lucas specifies the two books to which he refers as The Great Mistake—Can Herbert Hoover Explain His Past? by John Knox, published by the National Foundation Press, of Washington, D. C., and The Strange Career of Mr. Hoover—Under Two Flags, by John Hamill, published by William Faro (Inc.).

Mr. Lucas attempts to justify his charge by alleging that there was an advertisement of The Great Mistake, in which was published a quotation from an editorial in the Lexington Herald, with which paper Jouett Shouse, chairman of the Democratic executive committee, was once connected and with the editor of which he is on intimate terms.

We have never seen that advertisement and, of course, to us in Kentucky who know Mr. Lucas a statement by him that there was such an advertisement carries no more weight than would any other statement by him. But it may be true, for there was an editorial in the Lexington Herald commenting upon The Great Mistake and commending it to the careful consideration of lawyers and bankers.

It is true that Mr. Shouse was once connected with the Lexington Herald; it is true that the editor of the Herald is his devoted friend. But it is also true that not only did Mr. Shouse not inspire the editorial about which Mr. Lucas speaks but that he did not know of it before it was published.

We first heard of The Great Mistake at the dinner table of a friend in Woodford County; another guest, from the East, spoke of that book, which had just been published. We ordered it through a Lexington book store and were impressed by it. We wrote an editorial that was published in these columns and sent that editorial to Mr. Shouse, which was, we believe, the first information Mr. Shouse had of The Great Mistake.

Of course, we in Kentucky who know Bob Lucas know that he is without veracity or political integrity. All who are familiar with his conduct as director of the Republican campaign, when he used an alias to send vicious and venomous publications to arouse religious prejudice in his desperate and shameless effort to defeat George W. Norris in the campaign for Senator in Nebraska, know that his statements are not to be relied upon.

There were similar publications circulated in Kentucky by the Republican campaign committee in the campaign to elected John M. Robson to the Senate. There is no political chicanery that Bob Lucas would not practice to accomplish his purpose if he thought he could escape detection. In more than one case his shameless acts have not escaped detection. But he still remains director of the Republican campaign committee, selected and retained by that committee with the approval, if not at the direction of President Hoover.

We have received also from the Republican committee clippings from the New York Times of December 17 and the Herald Tribune of December 17, telling that Judge Cotillo has temporarily enjoined John Hamill, William Faro (Inc.), and William Faro from the further publication of The Strange Career of Mr. Hoover in pursuance of a suit filed by James J. O'Brien, claiming that Hamill had infringed his common law rights in using the material therein.

The answer of the Republican National Committee to the allegations made in these books seems to be, first, as expressed by Mr. Lucas, that they were inspired by the Democratic committee, and, second, that a judge in New York, in a suit involving the property

rights of the material used in *The Strange Career of Mr. Hoover*, temporarily enjoins the further publication of that book.

We have not commented on *The Strange Career of Mr. Hoover—Under Two Flags*. We read it with great care. We submitted it to three of the ablest lawyers we know with the request that they give us the benefit of their critical judgment. The three practically agree that it shows a repellant animus; that it is crude in English and sloppy in construction; that it is persuasive and, unless answered, conclusive as to many of the facts stated and documented. It contains the most serious allegations about Mr. Hoover's conduct during the mysterious years he was absent from the United States and also of his connection with certain men in the United States. The allegations are either true or false. If false, they are libelous and should be disproven.

The claim made that the President of the United States can not defend himself against such allegations is without foundation. The laws are as operative and as effective for the President as for the humblest citizen. There is much more reason that the President should resent and disprove false allegations impugning his honesty than that a private citizen should. The law of criminal libel can be invoked by the President just as by a private citizen. It seems to us that there is every reason that the President should invoke that law if the allegations made in *The Great Mistake* and *The Strange Career of Mr. Hoover* are false.

Even if the President does not think it proper to invoke the law to disprove these statements, that are answered in so puerile a way by Bob Lucas, there is certainly no reason that his friends of great wealth, familiar with his career while in Australia, China, New Zealand, and England, should not submit to the American people an authoritative and documented statement of his operations during those years.

Mr. Lucas and the Republican committee have now called national attention to these books. The dissemination of Bob Lucas's speech and the news account of the temporary injunction against continued publication of *The Strange Career* because of the property rights involved makes these books an issue and the people have a right to know the facts.

Mr. Hoover has been exploited as a great engineer. Of what mines was he an engineer? What was the fate of those mines? What the financial returns to those who invested in them because of Mr. Hoover's ability and management? How did he acquire his fortune, which is reputed to be of many millions? Was it through a salary as an engineer, or was it by the flotation of companies that gathered in the money from the public and then passed into the hands of a receiver?

What are the facts about the suit brought by Chinese stockholders in an English court for the restitution of the control of property worth millions of dollars acquired by Mr. Hoover and his associates from the Chinese?

In 1928 the Democratic committee refused to use facts that were available. We felt then that those facts should be submitted to the American people, but those who had authority did not accept that view and thought that the American people would so resent the senseless campaign conducted by the Cannons and the Lucases and others of that kind against Governor Smith that there was not only no need to expose the facts of Mr. Hoover's career, but that such exposure might be discredited during the passion of the presidential campaign.

Now, then, Mr. Lucas, of the Republican National Committee, makes of these two books, that profess to give the facts of those years, a distinct issue.

Definite allegations are made in those books. The law of libel is applicable if the statements be false. The facts are within the knowledge of men of great wealth and position—in more than one instance that wealth and position acquired through Mr. Hoover's influence.

It is possible, easily possible, for the actual facts to be revealed with such documents as to refute the statements made in these books if they are false, and the people of America have a right to know whether they are false or true.

SOLUTION OF UNEMPLOYMENT PROBLEM

Mr. BLAINE. Mr. President, I ask unanimous consent to have printed in the *RECORD* an editorial from the *Washington Herald* of Tuesday, January 5, entitled "La Follette Bill Offers a Practical Solution."

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

[From the *Washington Herald*, January 5, 1932]

LA FOLLETTE BILL OFFERS A PRACTICAL SOLUTION

Congress can not better begin the new year than by helping the American people to solve their most serious problem, the problem of unemployment.

As the most practical solution, the *Hearst* papers have long advocated the floating by the Federal Government of a five thousand million dollar prosperity loan to finance new public works, provide employment for jobless Americans, and give new life to industry, commerce, and agriculture.

Now Senator LA FOLLETTE, of Wisconsin, has put this proposal before the Congress in legislative form. His emergency public works bill deserves the immediate attention of the Senate Committee on Education and Labor, to which it has been referred.

The La Follette bill proposes that the Federal Government make available \$5,500,000,000 through the sale of prosperity bonds for

the immediate expansion of public works by the Federal, State, and local governments.

The greatest part of this emergency fund—approximately \$3,750,000,000—would be loaned to State and local authorities to expand their programs of public works. Their public works are most easily expanded, because these authorities have been carrying on 90 per cent of all public construction in the country.

One thousand million dollars of this fund would be set aside for additional grants to aid the States in expanding existing Federal-aid highway programs and in the construction of highway bridges and the elimination of grade crossings.

One-tenth of this fund—or not over \$650,000,000—would be used to expand construction by Federal agencies, including river, harbor, and flood control works, Federal public buildings, forest roads and trails, irrigation and reclamation works, and other lesser projects.

One-fourth of this emergency fund would be used to initiate types of construction which it is hoped private enterprise will take up and continue, such as housing for families with small income.

There are a number of changes in this comprehensive measure which Congress should make before enacting it into law. For example, the responsibility of carrying out this vast program of public works should be entrusted to the War Department, where it can be supervised by the Chief of Engineers of the United States Army.

But the La Follette bill provides a basis for legislation that will go far toward solving the problem of unemployment and speeding up a general revival of business.

It is estimated that this prosperity loan program would give jobs to 1,500,000 of the unemployed directly.

And twice that number would be given work indirectly in the industries supplying materials and in the production of goods for those consumers whose purchasing power would be quickly restored.

Senator LA FOLLETTE puts the case for this practical solution of our unemployment problem when he says:

"A well-balanced public-works program of this size will stimulate production all along the line and will bring about the recovery of commodity prices from the disastrously low levels to which they have fallen.

"Commodity prices will respond directly to the immediate demand for finished and semifinished products and the pressure to force commodity prices upward will immediately change the entire psychology of the consumer.

"Merchants will be encouraged to restock their depleted shelves. Consumers will purchase millions of dollars' worth of goods which they have not bought because of declining prices.

"Basic industries which have suffered severely in the depression will be directly benefited. They will in turn require products from mines, quarries, and forests.

"The shipment of both finished and raw materials will do much to restore traffic on the railroads.

"The workers employed directly and indirectly as a result of this public-works program will be enabled to buy shoes, clothing, food, and other consumers' goods which they have been able to buy in limited amounts or not at all. Restored purchasing power and rising commodity prices will enable consumers once more to purchase automobiles, radios, furniture, and other products.

"Farmers will benefit both through the restoration of demand for food and other products and through the rise in agricultural commodity prices.

"The bond issue will restore to circulation and use a large part of the funds now lying idle because of the reluctance of those who have savings and capital to invest in present market.

"The circulation through the channels of consumption and production of the money expended directly will modify several times the effect of the expenditures made in accordance with this emergency public works bill."

Here is a practical solution for the most urgent problem that the new year presents to the Government and people of the United States—the problem of providing employment for as many as possible of our 7,000,000 fellow citizens now out of work.

This prosperity loan offers the only emergency program upon which the leaders of both political parties in Congress can agree.

The country looks to the Congress to give the prosperity loan proposal the right of way.

RECONSTRUCTION FINANCE CORPORATION

Mr. WATSON. Mr. President, I should like to ask the Senator from Connecticut [Mr. WALKOTT] what is the present status of bill No. 1, providing for the organization of the so-called reconstruction finance corporation?

Mr. WALKOTT. Mr. President, the status of the bill is this: The subcommittee appointed by the Committee on Banking and Currency to consider the bill has concluded its hearings and has completed its report and will be ready to submit that report at 3 o'clock this afternoon to the entire Committee on Banking and Currency. The committee then will, of course, use its best endeavors to facilitate the progress of the bill, and will stick to its labors until it is able to report the bill to the Senate or ascertains that it is unable to agree and fails to report it. I hope that action

will be taken by to-morrow, and I trust that it will be possible to bring the bill before the Senate by to-morrow afternoon.

USE OF MACHINERY IN INDUSTRY

Mr. NORRIS. Mr. President, in the consideration of the unemployment problem that is now presented to the country there has from various quarters been advanced the argument that we ought to cease the use of machines which do the work of many men. That question has always arisen when it has been sought to introduce improvements by the use of machines the effect of which would be to throw many people out of employment. Yet the introduction and use of machinery have marked every step forward that civilization has taken. Sometimes, viewed from a narrow standpoint, men with the very best of intentions have decried the installation of machinery for doing the work which had previously been done by hand. There are instances in the past where labor organizations have opposed the introduction of machinery because it would have the effect of supplanting human labor; but the wiseheads, those who took a broader view, realized that the relief of hand labor was brought about by the introduction of machines and entertained the view that labor as well as all other branches of industry ought to welcome any improvement and that proper provision could be made, if necessary, for whatever local injury might happen.

I was more than delighted, Mr. President, to read in perhaps the one newspaper of general circulation all over the United States, devoted to the interests of organized labor, an editorial that takes an enlightened, broad-minded view of this situation, and in a very few words states the entire question in a nutshell. I send it to the desk and ask that the clerk read the editorial printed in Labor in its issue of January 5, 1932, entitled "Running Away from the Machine."

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

RUNNING AWAY FROM THE MACHINE

Albert Kelsy, technical adviser to the Pan American Union, reports that several South American countries are moving or threatening to move to abolish machine work and insist on hand labor. Bolivia has practically penalized the use of machines in mining. Chile is considering the abolition of motor trucks. Other countries are flirting with the same idea.

These are tactics of retreat. Like the sorcerer in medieval stories who shrinks back aghast from the devils he has called up, these proposals show man turning in affright from his own inventions.

It won't work. The machine can not be abolished. It can—and must—be made to serve all mankind instead of the limited number who now monopolize most of its benefits. The only merit in this revolt from the machine lies in the recognition that it can be a curse as well as a blessing. But there is small sense and less valor in running away from curses.

A machine-served nation must choose between short hours and long depressions. It can have either; it can not have both. The choice should not be difficult.

RELATION OF WHEAT PRICES TO ECONOMIC SITUATION

Mr. CAPPER. Mr. President, in last Sunday's Washington Star and in other leading newspapers throughout the country, there appeared an illuminating article by Mark Sullivan, one of America's ablest newspaper writers, dealing with the relation of wheat prices to the present economic situation. His analysis of this relationship and its effects is extremely interesting, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

55-CENT WHEAT HELD CAUSE OF CURRENT DEPRESSION—RISE IN GRAIN PRICE MAY DECIDE FATE OF POLITICAL PARTIES—1932 OUT-LOOK CLEAR

By Mark Sullivan

The forecasters this 1st of January are going to be gun-shy. Most of them went wrong last January 1 and nearly as many the January before. Their errors have been collected by a cynic into a book called derisively "Oh, Yeah!" They feel they are discredited before the public and their inner self-confidence has been sapped.

Yet the truth is rarely has the pattern of a future year lain so clear to the eye as that of 1932. It lies not in the form of a design pointing toward one outcome or another. It does take the form,

however, of a completely clear set of alternatives—alternatives having to do chiefly with what Congress does, or does not do, about currency and credit. The consequences of each alternative are almost as definite as a formula of logic. Each, depending on which we take, leads to a fixed set of business and political consequences, practically as surely as spring leads to summer.

We start with one present condition: The price of wheat is about 55 cents a bushel, about half of normal. (I state it thus starkly for the sake of simplicity, but the reader will understand I use the price of wheat as the symbol of the prices of all commodities, including wages.)

The alternatives for the coming year are either (1) wheat will stay, roughly, where it now is or (2) wheat will rise toward somewhere near normal.

WHEAT PRICE BAROMETER

If wheat should rise to, roughly, normal, the consequences in the world of business will take the form of optimism and prosperity, and the consequences in the world of politics will take the form of a perfectly good chance, or better than a good chance, of the Republicans remaining in power.

That the price of wheat should double itself within the coming year, or before the presidential election on November 8, is completely possible. It has happened before, often. It has happened during the last 10 years, and almost happened a second time in the same period.

In March, 1924, wheat sold at \$1.02 a bushel. Ten months later, in January, 1925, wheat sold at \$2.20½ a bushel.

COTTON PRICE SHIFTS NOTED

Cotton has doubled in price twice during the last 10 years. On April 15, 1921, cotton sold at 9.4 cents a pound; 20 months later, on December 15, 1922, cotton sold at 24.2 cents a pound, much more than double. Again, on December 1, 1926, cotton sold at 10 cents a pound, and then, only nine months later, on September 15, 1927, at 22.5 cents a pound.

All of which is to say this, and no more: That it is possible for the prices of wheat, cotton, and all sorts of commodities to double within the coming year. And if they do, then we shall have cheerfulness and activity in business and in politics probably success for the party in power, the Republican. Rising prices is the one best bet for the Republicans.

So much for one of the alternatives.

But if the price of wheat does not rise, if it remains, roughly, where it now is throughout the coming year, then we shall have a different set of consequences in business and politics. A different set, not necessarily an opposite set. It would still be possible for business to improve and it would still be possible for the Republicans to keep their grip on power, though the chances would be against them. Much will depend on how wisely they act, on how wisely the Government as a whole acts, including Congress.

GRAIN HELD POLITICAL KEY

So long as the price of wheat (wheat as a symbol of all commodities) remains where it now is, that fact will be the starting point of all our major politics, in Congress and in the presidential campaign. It will be very violent politics, something like 1896, retiring prohibition to the status of a forgotten quarrel.

Wheat at 55 cents a bushel is in itself and as a symbol of all commodities the principal cause, almost the sole cause, of our political and social and of our business troubles. (I protect myself against some economists who may read this article by saying I know perfectly well the price of wheat may be partially not a cause but an effect of business depression. In this field cause and effect are so intricately mingled it is impossible to separate them. In any event, I am writing at the moment for the lay reader and making some sacrifice of meticulousness for the sake of simplicity.)

Here is how the price of wheat works: A farmer two or three or four years ago borrowed \$5,000 on mortgage—that is, he borrowed, as of that time, 5,000 bushels of wheat. But to-day at present prices he owes 10,000 bushels of wheat. He can't pay it. It can't be done. The cutting in two of the price of wheat has doubled the burden of all debts. It is so not only as to the farmer and his mortgage. It is so in the case of Germany and reparations. It is so in the case of the debts France and Britain owe us. Debts contracted when wheat was \$1 a bushel can not be paid when wheat is 50 cents (except under special conditions and all with extreme difficulty—with, indeed, actual injustice.) The farmer has only his wheat to pay with, and with wheat at 55 cents a bushel he has not enough. The number of farmers who are in default on their mortgages is pretty appalling; some figures given out last week by the Federal Farm Loan Board were pretty somber.

From this starts the demand for relief through acts of Congress or other political action. The aim of most of the attempts is, stated broadly, to make it easier for the farmer to get hold of dollars, by increasing the number of dollars in the country or otherwise.

Can the Government properly make dollars easier to get? The answer is, within limits; yes. The Government can, legitimately and by perfectly sound action, increase the number of dollars in the country, making them, therefore, easier to get. Unfortunately many of the attempts go at it the wrong way.

Let us list the attempts already made in Congress or certain to be made. These efforts to increase the number of dollars in the country will compose the major politics of this Congress.

The first and most obvious attempt to relieve the farmer is by enacting that his debt of \$5,000 be arbitrarily cut to \$3,000, or that his interest rate of 6 per cent be arbitrarily cut to 3 per cent, or that the due date of his mortgage in 1932 be extended a year to 1933. This has already been attempted by Senator NYE,

of North Dakota, who, in an amendment to another measure, proposed that every farmer be given a year's postponement of his debt. That can not be done—that is, it can not be done by law. It can be done by voluntary, private understanding, and a good many of us think that creditors ought to practice just this sort of leniency toward their debtors. Many creditors are doing so. But it can not be done by law, because the courts almost certainly would regard it as "impairing the obligation of contracts."

MOVE FOR CHEAP MONEY

Most of the methods proposed for relief of debtors take the form of creating a greater quantity of money, so that each debtor will have a better chance to get some of it—"cheap money" was the phrase used in similar political controversies arising out of the same conditions in the seventies, eighties, and nineties.

One way proposed is that the Government shall buy large quantities of silver bullion and coin it into silver dollars, coupled with a decree that a silver dollar shall always be the equivalent of a gold dollar. That was William Jennings Bryan's plan in the nineties. It is now earnestly revived and commands increasing support. It will fail because it can not command a majority in Congress. Something can be done about silver, perhaps, to enlarge the world's stock of currency, but it can not, or certainly will not, be done by the United States alone. It may, however, be done by international action.

One way to produce more currency is through the Federal reserve system. The system is actually a creator of currency. The system gives out dollar bills, brand-new ones, in exchange for certain kinds of business paper, commercial obligations having certain safeguards. There are strict limitations on the kinds of commercial paper for which the Federal reserve system will hand out currency.

One way to increase the quantity of currency would be to enlarge the classes of commercial obligations for which the Federal reserve system will give out new dollar bills. For example, as the law now stands, the Federal reserve system will not give out currency in exchange for a mortgage on a farm. Whenever it is proposed—as it surely will be—to enlarge the kinds of security for which the Federal reserve will give out currency—when that happens there will be controversy in Congress. Senator CARTER GLASS, of Virginia, will be on guard. There is not space here to say more, except that there can be some legitimate enlargement of the quantity of currency in the country through use of the Federal reserve system's function of creating currency. That the country would be benefited by a prudent, carefully guarded increase of currency can hardly be doubted.

BOND ISSUE SEEN REMEDY

Another way, indirectly but fairly certain, to increase the quantity of money is by great issues of Government bonds for public works. This is proposed by progressive Senator LA FOLLETTE (five and a half billions) and by Democratic Senator WAGNER, of New York (two billions). About this, likewise, there will be much controversy in Congress.

There is not space for more, except to say that the politics having to do with money and currency and arising out of the low price of wheat (assuming commodities continue low priced) will be the real politics of the year 1932. Compared to this, compared to the politics which will revolve around the low price of wheat, compared to the issues which will be called "cheap money" or "relief of debtors" or "free silver"—compared to that all the politics of personalities, about Smith opposing Roosevelt, or Curtis getting the Republican vice presidential nomination, or Baker getting the Democratic presidential nomination, or Raskob and prohibition—all that is merely the small change of politics, the village gossip about personalities of politics.

Meantime and all times let those tempted to bet on the 1932 election remember that it is no impossibility, not even a novelty, for cotton and corn and wheat and other commodities to double in price within the space of a year.

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn.

The motion was agreed to; and at (12 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, January 6, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 5, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Through Thee our Heavenly Father we rise to the great realities of our existence and know ourselves as the sons of God. Thus the things of earth are seen in their true proportion. In our aims, in our purposes, and in our anxieties may we be no disappointment to our fellow countrymen. Do Thou keep us awake and alive to our possibilities for service to raise the whole ideal of the well-being of the Republic. In the labors of this day may we express our

patriotic devotion in action. Bless us with that compound of worldly prudence and spiritual insight. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 159. An act for the relief of R. B. Miller;

S. 458. An act for the relief of C. M. Williamson, Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased; Lottie Redman, and H. N. Smith;

S. 971. An act for the relief of Milburn Knapp;

S. 1037. An act to amend the radio act of 1927, approved February 23, 1927, and for other purposes; and

S. J. Res. 60. Joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for the relief of people in distress.

AMENDING THE TARIFF ACT

Mr. POUL. Mr. Speaker, I present a privileged resolution and report from the Committee on Rules for printing under the rule.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 87

Providing for the consideration of H. R. 6662, amending the tariff act of June, 1930, and for other purposes

Resolved, That immediately upon the adoption of this resolution the House shall proceed under the general rules of the House to the consideration of H. R. 6662, entitled "A bill to amend the tariff act of 1930, and for other purposes." This special order shall be a continuing order, and the bill shall be considered from day to day until finally disposed of.

The SPEAKER. Referred to the House Calendar and ordered printed.

MRS. DANIEL SHEA

Mr. WARREN. Mr. Speaker, I offer the following resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 38

Resolved, That there shall be paid out of the contingent fund of the House of Representatives to Mrs. Daniel Shea, widow of Daniel Shea, late an employee of the House, an amount equal to six months' compensation and an additional amount not exceeding \$250, to defray the funeral expenses and last illness of the said Daniel Shea.

The resolution, without objection, was agreed to.

ANNA JARVIS

Mr. WARREN. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

Senate Concurrent Resolution 2

Resolved by the Senate (the House of Representatives concurring), That there shall be paid out of the contingent funds of the Senate and House of Representatives to Anna Jarvis, widow of Grant Jarvis, late an employee of the Joint Committee on Internal Revenue Taxation, a sum equal to six months of his compensation as such employee, one-half of said sum to be paid by the Senate and one-half by the House, and an additional amount, not exceeding \$250, to defray the funeral expenses of said Grant Jarvis, shall be paid by the House.

The Senate concurrent resolution was agreed to.

A motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

EDWARD F. PRICHARD JR., OF PARIS, KY.

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The Speaker. Is there objection?

There was no objection.

Mr. CHAPMAN. Mr. Speaker, recently the Central Press Association sponsored an intelligence test open to every high-school boy in America. One hundred and fifty thousand

bright American boys undertook to pass the examination. Those having the six highest grades were selected.

They spent several weeks in Italy as the guests of the Central Press Association.

One of those six bright young men is my fellow townsman, Mr. Edward F. Prichard, jr., of Paris, Ky., who took the examination under the auspices of the Lexington Herald, Lexington, Ky., and he is now a student at Princeton University. Mr. Prichard occupies a seat in the Speaker's gallery and I should like for him to stand and be recognized by the House.

MRS. DAVID L. THOMAS

Mr. WARREN. Mr. Speaker, I offer another privileged resolution.

The Clerk read as follows:

House Resolution 78

Resolved, That there shall be paid out of the contingent fund of the House of Representatives to Mrs. David L. Thomas, widow of David L. Thomas, late an employee of the House, an amount equal to six months' compensation and an additional amount not exceeding \$250 to defray the funeral expenses and last illness of the said David L. Thomas.

Without objection, the resolution was agreed to.

THE DIFFERENCE BETWEEN THE DEMOCRATIC PARTY AND THE REPUBLICAN PARTY

Mr. HOWARD. Mr. Speaker, last evening an address was delivered over the air by the gentleman from Illinois [Mr. RAINEY], the floor leader, and it was so good it seems to me the country ought to get a chance to read it. I ask unanimous consent to have it reproduced in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, I herewith present for printing in the RECORD an interview over the radio by Representative HENRY T. RAINEY, of Illinois, majority leader of the House of Representatives, and William Hard, the subject of the interview being the differences between the Democratic Party and the Republican Party.

The interview follows:

Mr. HARD. Mr. Congressman, in the last House of Representatives there was a Republican majority. In this House there is a Democratic majority. Some people say the two parties are just alike and it makes no difference. May I respectfully ask: What do you say?

Mr. RAINEY. There is a marked difference between the propositions for which the Democratic Party stands and the propositions for which the Republican Party stands. We have always had two major parties in this country. From the days of Hamilton and Jefferson one of these parties, the Party of Jefferson, has always stood in favor of the rights of the great masses of the people. The other party, now called the Republican Party, has always favored legislation enacted on behalf of particular interests. Whenever the Republican Party is in control of our Government for any considerable period of time the legislation thus enacted expands the power of the particular and special interests until they become a real menace to our prosperity and to our form of government. That is precisely what has happened during the last 10 years of Republican control in Washington.

Mr. HARD. But, Mr. Congressman, what do you mean, exactly, by a "particular interest" or "special interest"?

Mr. RAINEY. The question is a fair one. In brief, particular or special interests are those which are created as a result of legislative or other practices which favor the few and which tend to concentrate the machines of production and the acquisition of large wealth in the hands of a few corporations and ultimately of a few individuals. The fight now going on against the Power Trust illustrates what I mean. We are still in the iron age (the age of machine tools), but there is being superimposed upon the iron age a new era which might be called the electrical age; and men of great wealth, organized into corporations, are seeking to control for their own benefit the declivities in our rivers where water-power production is a possibility.

Mr. HARD. But will you be more specific?

Mr. RAINEY. Certainly. The Muscle Shoals fight, which has been going on in Congress for a period of years, and the Boulder Dam proposition are illustrations of what I mean. I myself assisted in the preparation of the present water power act which, with its amendments, is to be tested now in the Federal courts. The case comes up next week in a district Federal court at Lynchburg, Va. It is known as the New River case. The Power Trust has employed the most expensive and the best attorneys in the United States. The objective of the Power Trust in pressing the case is to become dominant in the control of electrical energy in rivers which flow into navigable rivers. If the Power Trust wins the case, there will have to be new legislation in order to protect the consumers of electrical energy from the enormous charges

which the units of the Power Trust will expect to impose upon them.

Mr. HARD. Let me ask you, though, if you can prove, or think you can prove, your idea that charges by power companies and by other particular or special interests, as you call them, have tended to be excessive.

Mr. RAINEY. I think I can prove it readily. In 1929 the Republican Party, unwilling to check the excesses of the special interests, had been in control of all branches of the Federal Government for nine years. During that period the standard of real wages increased only 13 per cent while the returns to industry as a whole were increasing 72 per cent. In this matter I am quoting Dr. Julius Klein, Assistant Secretary of Commerce. During the same period the dividends on industrial and railroad stocks increased 285 per cent. In other words, dividends increased twenty-two times as fast as wages.

Mr. HARD. It does not follow, though, it seems to me, that the individual necessarily suffered. The stocks of corporations are owned by large numbers of individuals.

Mr. RAINEY. Yes; but the large numbers of individuals own only a few shares apiece; and the mass of the profits goes to the few. Let me give you some convincing figures. In 1920 there were 3,649 persons in the United States who had incomes of over \$100,000. In 1928 there were 15,977 persons in the United States who had incomes of over \$100,000. In 1920 this class of persons had a total income of \$727,000,000, which was certainly enough. In 1928, however, these few people had a total income of \$4,500,000,000. In other words, in eight years the total income of this class of persons had increased 600 per cent. Yet during that period, which is now looked back upon as a period of high and general prosperity, the income of the totality of our people increased only 10 per cent above its previous level.

Mr. HARD. But those 100,000 dollar-a-year men weren't necessarily all of them ultra rich.

Mr. RAINEY. Well, take the ultra rich. In 1920 there were only 33 men who had incomes of \$1,000,000 and more. In 1928 there were 511 such men. In that latter year their aggregate incomes came to a total of more than \$1,000,000,000. That was an increase of 1,400 per cent over 1920, while total national income, as I have stated, was increasing only 10 per cent. This process, I contend, was not only unchecked by the Republican Party but accelerated by it. Three times during this period the Republican Party decreased the taxes on great wealth. Twice it raised the tariff duties to such mounting heights as to concentrate wealth more and more into the hands of special beneficiaries.

Mr. HARD. I see then. Or perhaps I don't. You will destroy the tariff system?

Mr. RAINEY. I want to deny as emphatically as I can any intention of that kind. The Democratic Party does not stand for that principle and never did. No nation in the world ever existed for any considerable period of time without tariffs. There is really nothing new in the science of "taxes." The very first tax ever imposed by man, as nations emerged from the stone age, was the tax then known as "death dues." We know it as an inheritance tax. Egypt imposed it a thousand years before the building of the pyramids. Then the next tax imposed by the rulers of ancient Egypt was called the "tax at the frontier." We call it a tariff tax. Babylon and Rome imposed tariff taxes. England, which was called a free-trade country, imposed tariff taxes. While we were getting \$315,000,000 a year out of our Payne-Aldrich tariff taxes England was getting nearly \$700,000,000 a year out of her tariff taxes under her so-called free-trade system.

Mr. HARD. Then what was the difference?

Mr. RAINEY. I'll tell you the difference. England imposed her tariff taxes in those days upon noncompetitive articles—upon articles which did not compete with her own domestic products. That is a tariff tax which a creditor nation may well impose. England to-day is ceasing to be a creditor nation. Therefore, England is now adopting our American system of tariff taxes for protection. We can profit by noting the reason why England has changed her policy. It is the same reason why we ought to change ours. It is we that are now the great creditor nation. Yet, even after we had become the great creditor nation, we twice increased our protective tariffs. The consequence abroad has been that other nations, in imitation of us, or in retaliation, have raised their tariffs till they are as high as ours, and sometimes higher. Thereupon to-day, in order safely and successfully to reduce our own tariffs, we must secure a reduction of the tariffs of the world.

Mr. HARD. I conclude, then, Mr. Congressman, that you might favor the calling of an international tariff conference. Might it not lead, let me ask you, to the dragging of a lot of our domestic economic questions into the international arena?

Mr. RAINEY. I do absolutely favor international negotiations regarding tariff. I am assisting now in the preparation of a resolution which will provide for a world economic conference; as a matter of fact, the resolution has been prepared and was introduced this afternoon by Mr. COLLIER, chairman of the Ways and Means Committee. Hearings will commence on it to-morrow. The principal object of this conference will be the lowering of tariff walls. If we should lower our own tariff walls right now without this cooperation, our markets would be flooded with foreign goods. In other words, under the Republican Party, we are simply caught in our own tariff trap and it will take a long time and many negotiations with foreign countries to enable us to get out of it.

Mr. HARD. Your international economic conference, Mr. Congressman. Let me ask about it further, or again. Would you put any limitations upon it? Or would it discuss everything?

Mr. RAINEY. I admit that there ought to be limitations upon it. In fact, in our Democratic resolution for the conference we expect to incorporate a provision that the American delegates shall not discuss our domestic economic conditions and shall not discuss even the question of the payments coming to us from our debtor nations abroad. Of course, a discussion of certain consequences of the debt payments can not be avoided. Our debtor nations owe us an immense amount of money. It is at the present time over \$10,000,000,000. France and the United States have concentrated about two-thirds of the world's supply of gold under their control. Our debtor nations must pay us in gold or in goods. Our tariff walls keep out their goods and we have the gold. No wonder they are going off the gold standard. Fifteen foreign nations have already gone off the gold standard. Naturally they are talking about repudiating the debts that they owe us. When they do repudiate them, it will mean that our own taxpayers must pay the amounts now due to us in debts from abroad. Thus we are confronted with a whole network of questions suggesting international negotiations. Among those questions is farm relief.

Mr. HARD. But I seem to remember, Mr. Congressman, that you have voted steadily for drastic domestic farm-relief measures.

Mr. RAINEY. I have indeed voted for those measures. The condition of our farmers was desperate, and it is more desperate now than it ever has been. I am a farmer. I live on my farm and have no other business. I think I have one of the best farms in Illinois. Yet I am having difficulty in making enough money out of it to pay the taxes. I have been voting for the equalization-fee plan and for the export-debenture plan of farm relief. I am afraid now that those measures will not be successful. This is for the central reason that they both depend upon exporting our agricultural surpluses at a loss. The foreign tariff walls now raised against us make that exportation impossible. To-day I doubt if on behalf of our farm products we can find foreign markets which are not impeded or destroyed by tariff barriers.

Mr. HARD. I gather, Mr. Congressman, that you are now looking toward the other end of Pennsylvania Avenue from your legislative chamber in the Capitol. International negotiations lie with the President. I suspect you of arguing that there ought to be a Democratic President.

Mr. RAINEY. You are exactly right about it. We can not accomplish much unless we obtain control of both branches of Congress and also of the White House. We must have a President who is in sympathy with the Democratic Party as to the lowering of the tariff; and this necessity for a Democratic President is emphasized by the fact that in the future our tariffs must be lowered and regulated as a result of international agreements. The Republican Party is committed absolutely to isolationist policies. The fact is that other nations now are imitating us in such policies. They are all trying to become economic units, absolutely perfect. In the bringing about of this world condition the United States, under the management of the party of special interests, has been the real world culprit. We have to turn around and go toward world cooperation.

Mr. HARD. Are you talking now for the League of Nations?

Mr. RAINEY. I am not. We seem to be thoroughly committed against active participation in the League of Nations. Of course, we have many contacts with the league and we every year are establishing more contacts. I now, though, am talking about business. What we want to do is to reopen our closed factories. To do so we need markets outside the boundaries of continental United States. I am most interested in a business revival, and we can not have it unless we obtain markets abroad. I am anxious to trade with all nations.

Mr. HARD. Including the Russians?

Mr. RAINEY. Certainly. I spent a large part of last summer in Russia. You can not sovietize the United States and you can not Americanize the Russians. They now have over there the best government that they have ever had. It would not suit us. But they are now rebuilding their great country. There is more building going on in Russia to-day than there is in all the rest of the world. They are building 5,000 miles of main-line railroad tracks while we are tearing ours up. The rebuilding of Russia will continue for at least 25 years. During that period Russia will furnish the world's best market. The nations of Europe are establishing trade conventions with Russia. Our isolationist policy keeps us out of those trade conventions. I repeat that I am interested in reopening our factories. I am interested in furnishing employment for the seven or eight million unemployed. If we have communist demonstrations this winter in our large cities the main cause will be the closed factories. The way to fight communism in this country is to reopen the factories. The only way to do it is to get markets abroad, and Russia is the biggest and best one. It seems to me that patriotic organizations and the churches ought to support a proposition which will give work and which will give wages and which in that way will prevent riots and disturbances in our cities this winter.

Mr. HARD. Now I must interrupt you, Mr. Congressman. I think your auditors will have got from you a very clear impression of the estimate you make of the importance to us of international affairs. I must now ask you to discuss some problems that are undeniably domestic. The saddest I can think of is taxes. Perhaps you wouldn't care to discuss it.

Mr. RAINEY. I am delighted to have the opportunity to discuss it. It is a cardinal principle of the Democratic Party that income

taxes should be proportioned to capacity to pay. The income tax has always been fought by the great interests. They are anxious to resort to a sales tax. Through a sales tax the great incomes would not be compelled to pay the share they ought to pay, namely, the share they are able to pay. The Republicans, three times since the Great War, have lowered the income taxes on great incomes. We propose in large measure to reinstate those taxes.

Mr. HARD. Then no sales tax?

Mr. RAINEY. Only an emergency one. A sales tax, I fear, will be necessary in order to meet emergency requirements. We must now raise a billion dollars by new taxes on top of the taxes which we already impose. Great wealth will be compelled to pay its share in our program. Taxes on the big incomes will be increased to the point of diminishing returns.

Mr. HARD. How will you estimate that point?

Mr. RAINEY. The imposition of an excessive tax would force the recipients of great incomes into tax-exempt securities. Forty per cent on incomes in excess of \$100,000 a year seems to be about the maximum that we can reach at this time. We shall thereupon be compelled to impose sales taxes in some considerable degree. However, when the Democratic Party obtains full control of the Government, and as times that are more prosperous return, we shall eliminate, first of all, not the taxes on great incomes but the sales taxes. On the other hand, if the Republican Party succeeds in retaining control of the Government, it undoubtedly will have the policy of reducing the taxes on great incomes and of retaining and extending the sales taxes.

Mr. HARD. You seem to be forgetting "death dues" or inheritance taxes. Are you satisfied with them at their present levels?

Mr. RAINEY. No. It was the Democratic Party, under the administration of President Wilson, that inaugurated in this country the old Egyptian system of "death dues." The Republican Party had always been against it. It is essentially against it now. "Death dues," inheritance taxes, tend to dissipate large estates. The Republican Party favors large estates. The Democratic Party favors the distribution of them and the restoration of a higher degree of equal opportunity to all. In the tax bill which we are now preparing we expect to increase the inheritance taxes strongly.

Mr. HARD. So that's one disagreeable subject over. No! I can think of a worse one. What about economy—economy in governmental expenditures?

Mr. RAINEY. The Appropriations Committee of the House is now controlled by Democrats. The chairman of the committee is a Democrat. The chairman of every subcommittee is a Democrat. They all of them are pledged to take each appropriation bill and cut it down even below the Budget estimates and requests of the Republican administration. The country will realize that we favor economy sincerely.

Mr. HARD. Well, then, Mr. Congressman, pursuing these depressing topics to their bottom, let's go straight at it and talk about the depression. The most instant emergency in this country at this moment is the saving of people from starvation. Do you think the Federal Government should help?

Mr. RAINEY. I do not favor the dole nor anything that looks like it. Yet in past years, according to the Russell Sage Foundation, only 28 per cent of relief for the destitute has been furnished out of private funds. The remaining 72 per cent has been furnished out of tax funds. In some States over 90 per cent of relief has come from tax funds. That condition will hardly change during the present year.

Mr. HARD. Isn't it a dole?

Mr. RAINEY. It can possibly be insisted that relief by municipalities and by States is a dole. They have now appropriated an immense amount of money—probably over \$125,000,000. They may not be able to appropriate much more. Nevertheless, in my view, private relief ought to be exhausted and relief by municipalities and States ought to be exhausted before the Federal Government enters the field.

Mr. HARD. Why?

Mr. RAINEY. Because the taxes imposed for relief by States and municipalities can more readily be eliminated as the years pass. The people know that they pay these local taxes, and there will be a demand by them for their repeal as prosperous times return. If the relief comes from the National Treasury, the situation is different. The great mass of taxpayers do not realize that they contribute to the National Treasury. The taxes which they pay are often indirect. They do not realize that they pay them. Therefore the demand for the abatement of Federal taxes for relief purposes, as the years pass, would not be as insistent as the demand would be for the abatement of local taxes for such purposes.

Mr. HARD. That's your ultimate principle. But, once more, what about the emergency? What is your actual expectation of whether or not there will have to be Federal relief?

Mr. RAINEY. I think that the Federal Government, unfortunately, will have to enter the field of relief for the suffering and starving. We can not let our people starve. We are the richest country in the world. If private funds and municipal taxes and State taxes will not provide the necessary relief, we must, of course, provide it out of the Federal Treasury.

Mr. HARD. A straight answer. Then let me ask you another very straight question. It is said that the Federal Government should borrow \$5,000,000,000 and spend it on public works; and it is said that the employment thus given would enormously increase the buying power of the country and would stimulate all business,

and thus perhaps tremendously help to start general prosperity going again. What do you think of such proposals, frankly?

Mr. RAINEX. I frankly feel that the execution of them would prove disappointing. Our present enormous public-building program, it is asserted, gives employment to-day to only about 60,000 men. Of course, the building of roads offers employment to more men than the construction of buildings; and it must be admitted that both roads and public buildings are national capital investments and that money expended upon them is not wasted. However, we must understand that the present age is a machine age. Till about 70 years ago professional economists thought and taught that expenditures upon public works could be regarded as unemployment relief. Even to-day such expenditures operate to relieve some unemployment and to give work to some workers; but the machine age tends to give the employment more and more to machines; and thereupon this method of relieving unemployment by public works tends more and more to meet with failure. I repeat that in my judgment the principal relief for unemployment is to be found in the reopening of our closed factories. Our closed factories, I repeat, can not be reopened on an effective scale without foreign markets.

Mr. HARD. Yes. You have mentioned international trade conferences. What about international armaments conferences?

Mr. RAINEX. If armaments and tariff walls can be brought down together, the foreign governments which owe us money will be able to pay us. The expenditures of our eight principal debtor nations are more than seven times the total of the amounts which they have agreed to pay us on account of their debts. At the present time these nations owe us annually less than \$250,000,000 while they are simultaneously spending annually upon armaments almost \$2,000,000,000. Six of the nations which are our debtors have increased their expenditures for armaments 65 per cent since 1913.

Mr. HARD. But how can we stop them?

Mr. RAINEX. We can help to stop them by reversing the policies of isolation. Isolation is based upon the idea of self-sufficiency. It produces attempts at self-seeking diplomatic policies and self-seeking commercial policies. It leads to tariff wars. It leads to trade wars. These economic wars are the mere prologues to military wars. The prospect of military wars inevitably produces armaments. You have to have trade intercourse; you have to have trade peace in order that the peoples of the world may be willing to reduce their armaments and to live together in entire peace. The tariff problem, the debts problem, the reparations problem, the international finance problem, the foreign exchange problem, the armaments problem, the peace problem are all one problem. They can not be solved separately. They have to be solved together through abandoning isolation and adopting reciprocal services and reciprocal benefits as the rule of our international life.

Mr. HARD. You think that such a rule would take us out of the depression?

Mr. RAINEX. Mr. Hard, when a man has ruined himself by excesses of bad habits and is lying on his bed totally exhausted there is no diet that will enable him to get up instantly and walk. It is the same way with nations. Were tariffs high? The answer of the Republicans was: Make them higher. Were people extravagant? The Republicans answered: More installment purchases. Were people speculating? The Republicans replied: Brokers' loans can not be too big. Were the prices of stocks fantastic? The Republicans retorted: They will rise still more. Were armaments increasing? The cure proposed by the Republicans was to press the tariff wars and the trade wars, which in turn pressed armaments to further expansions. Not once did any Republican administration say to the country: You are destroying your health by these excesses, and we are going to try to prevent you from committing them. The patient consequently is now very sick and is looking, I think, for another doctor.

Mr. HARD. You mean the Democratic doctor. But I must insist. What will the Democratic doctor prescribe?

Mr. RAINEX. He will prescribe no nostrums. He will prescribe simply but emphatically the avoidance of excesses and the living of a sensible life. He will prescribe the rules of health. He will prescribe a sane, sound business intercourse with other countries. He will prescribe a sound, equitable distribution of wealth at home. He will prescribe the measures which would have kept us in national health and which in time will therefore restore us to national health. That's the best and most that can be done, and I believe that we Democrats will do it.

Mr. HARD. Mr. Congressman, I thank you on my own behalf and on behalf of the National Broadcasting Co., and also and most especially, I am sure, on behalf of your auditors throughout the country. You have answered my questions fairly and frankly. For your sincerity thus displayed I am sure that all of us, Republicans and Democrats alike, are grateful to you.

THE PAY-AS-YOU-GO PLAN FOR WAR

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing my statement made before the War Policies Commission on May 19 last.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSEYER. Mr. Speaker, under leave to extend my remarks I submit for printing in the Record my statement

before the War Policies Commission, Tuesday, May 19, 1931, in the Senate Office Building, Washington, D. C., as follows:

Mr. RAMSEYER. Mr. Chairman and members of the War Policies Commission, the resolution creating this commission, among other things, gives direction to study and consider "methods of equalizing the burdens and to remove the profits of war."

Two phases of war finance I wish to present to this commission:

First. In the conduct of war most, if not all, of the war expenditures should be paid on a cash basis out of the gross income of the Nation. This is commonly referred to as the pay-as-you-go plan.

Second. The importance of the speedy payment of our war debt as a preparedness measure.

I. THE PAY-AS-YOU-GO PLAN

At the time of our entrance into the late war there was considerable said about conscripting property as well as men to fight the war. We adopted the policy of conscripting men to fight the war and although we raised considerable money to carry on the war from taxation, the proposition to raise all the money to pay for the war without borrowing was not seriously considered by Congress. In fact, by most of those in authority, the suggestion to support the war on a cash basis was considered somewhat impractical and visionary. A few days after the declaration of war, to be exact, April 9, 1917, I inserted some remarks in the CONGRESSIONAL RECORD on the subject, "Conscript Property for War" (65th Cong., 1st sess., Appendix, p. 15).

Very shortly after that every Member of Congress received a "Memorial of American Economists to Congress Regarding War Finance," signed by 250 of the leading economists of the United States. I had this memorial inserted in the CONGRESSIONAL RECORD on April 24, 1917 (65th Cong., 1st sess., Appendix, p. 103).

The purpose of this memorial was to urge upon Congress the adoption of the policy of taxation rather than that of bond issues as the principal means of financing the expenditures of our country in that war. I quote one paragraph from that memorial:

"The taxation policy is practicable because the current income of the people in any case must pay the war expenditures. The choice between bond issues and taxation is merely a choice whether the Government shall take income with a promise to repay those who furnish it or take income without such promise. The actual arms, munitions, and other equipment and supplies for use in the war, except to the small extent that they have been stored up in the past, must be produced now, during the war itself, not after the war; and, moreover, must be produced by our own people. The policy of borrowing within the country itself does not shift any part of the Nation's burden of war expenditures from the present to the future. All it does is to make possible a different distribution of the burden among individuals and social classes, to permit repayment to certain persons who have contributed income during the war by other persons after the war. If the people can support the war at all, they do it on a cash basis. Borrowing creates nothing. Except by borrowing abroad, which we can not do, we can get nothing which we do not ourselves produce."

With your permission, I shall have the whole memorial printed at the end of my remarks. I regard this memorial as the ablest document on war finance that was presented to Congress during the late war. It should be read and reread by every student of finance. Our experiences during and since the late war confirm every statement of principle and of warning contained in the memorial.

Since the war, by resolutions and speeches, I have repeatedly urged the appointment of a commission, such as now exists here, to give this subject special study and to recommend legislation to Congress to conscript the material as well as the personal resources of the country in the event of another war. It took Congress 10 years to create this commission.

This subject of equalizing the burdens of war was very near to the heart of the late President Harding. In his inaugural address he said:

"I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty, for whatever service, military or civil, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation."

I quote two more sentences from his address, to wit:

"Then we shall have little or no disorganization of our economic, industrial, and commercial systems at home; no staggering war debts; no swollen fortunes to flout the sacrifices of our soldiers; no excuse for sedition; no pitiable slackerism; no outrage of treason. Envy and jealousy would have no soil for their menacing development, and revolution would be without the passion which engenders it."

On his fateful journey, from which he never returned, at Helena, Mont., June 29, 1923, he gave utterance to these earnest words:

"If we are committed to universal service—that is, the universal commitment of every American resource and activity—without compensation except consciousness of service and the exultations in victory, we will be slower to make war and more swift in bringing it to a triumphant close. Let us never again make draft

on our manhood without as exacting a draft on all we possess in the making of the industrial, financial, commercial, and spiritual life of the Republic."

The late President Harding urged the selfsame principles for the conduct of future wars. Numerous patriotic, political, and commercial organizations have by resolutions given their support. To have everybody, or practically everybody, indorse the plan is one thing. To put the plan into effect in case of another emergency is quite a different thing.

In 1922 the Iowa Republicans, in convention assembled at Des Moines, Iowa, incorporated the following plank in their platform:

"We indorse the principle of universal conscription of material and personal resources, and urge such action on the part of Congress in times of peace as will automatically effect such result upon the declaration of war."

In 1924 the Republicans in national convention in Cleveland had this plank in their platform:

"We believe that in time of war the Nation should draft for its defense not only its citizens but also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms the President be empowered to draft such material resources and such services as may be required, and to stabilize the prices of services and essential commodities, whether utilized in actual warfare or private activity."

The Democrats in their national convention in New York the same year adopted the following plank on this subject:

"War is a relic of barbarism, and it is justifiable only as a measure of defense."

"In the event of war in which the man power of the Nation is drafted, all other resources should likewise be drafted. This will tend to discourage war by depriving it of its profits."

The country is looking hopefully and expectantly to this commission for definite and specific methods of equalizing the burdens and to remove the profits of war.

I doubt whether you can get very far with any proposal to amend the Constitution. I think it practical for this commission to recommend a program of taxation for future wars and to give the country the benefit of its judgment on the part of the national income that can and should be taken in the form of taxes to meet the war expenditures on a cash basis. Your favorable recommendation and judgment would have the wholesome effect of creating a public state of mind that war expenses should be met in full, or very nearly in full, from the current income of the Nation during the period of the war. It is evident that in event of war, Congress can not carry out any of your recommendations on taxation, the mobilization of industries, and so forth, without the support of public sentiment.

II. THE SPEEDY PAYMENT OF THE WAR DEBT

I wish now to discuss the policy that should be maintained in regard to the payment of our war debt. Notwithstanding the recommendations of the leading economists of our country to which I have called your attention, the expenditures of the late war were met chiefly by the sale of bonds. At the close of the war our total debt was something like \$26,000,000,000. The war was not financed on the pay-as-you-go plan.

The practice of national governments becoming heavily involved in debt is of modern origin. War debts are a development of the last century and a half. That is chiefly due to the change in the implements of warfare. In olden times the implements of warfare were simple. Up until comparatively recent times a king or a ruler desiring to wage war would gather an army of volunteers, equip them with the simple implements of warfare, carry enough provisions to get his army into the enemy's territory and then, if successful, would live off the enemy. If unsuccessful there was nothing to do except tread with his army a weary way homeward. Owing to the expense incident to present-day warfare a modern army, even though successful in an enemy country, can not live off the enemy. A steady flow of munitions and supplies must be furnished by the people back home.

I shall not discuss the evils following the methods of financing the late war, the inflation and following deflation, the repudiation and part repudiation of national obligations, and the many discomforts visited on the civilized world following the war and from which the world is sorely distressed at this time. This is a matter of common knowledge with which you are as familiar and probably more familiar than I am.

Although the economists' plan for financing the late war was not adopted, it did make a profound impression upon many Members of Congress and on the people of the country. The teachings of the economists had some effect in inducing the war Congress to agree on the policy that the war debt should be paid by the generation that made it. In the Victory Liberty loan act, approved March 3, 1919, is the following in section 6, subdivision (a) thereof:

"(1) Two and one-half per cent of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920; and (2) the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years."

This is the sinking-fund provision that is the law now. The overwhelming sentiment of Congress was in favor at that time of this policy. There were a few objectors, it is true. You will note that the sinking-fund provision of 2½ per cent applies to the

amount of bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920. Congress, in enacting this provision, went on the assumption that the foreign governments would keep up their interest payments on what they owed us and ultimately pay off the principals in full.

The foreign governments have not lived up to the expectations then entertained by Congress. Since that time settlements have been entered into with these foreign governments scaling down or canceling their obligations all the way from 25 per cent to 75 per cent. I am firmly convinced that if we had not had these foreign obligations in 1919, or we had at the time anticipated the cancellation of the foreign obligations, the Congress would have made the sinking fund apply to all or to a greater portion of the war debt.

There were a few voices in the country at the time who wanted to spread the payment of the war debt all the way from 50 to 100 years. In such settlements as we have made with the foreign governments we spread their payments to us over a period of 62 years. Since 1925 there have been more voices heard for spreading out the payment of our own war debt over a longer period of years than was contemplated by Congress when it enacted the sinking-fund provision. Since 1925 and up to a very late date we find utterances in the CONGRESSIONAL RECORD and in the public press from prominent Members of Congress advocating that our sinking fund be reduced, which would extend the time to pay the war debt. These gentlemen even go so far as to state that it was not contemplated by Congress when enacting the Victory Liberty loan act to pay off the war debt as rapidly as we have done in practice during the last 10 years.

For the information of this commission and to set right those gentlemen who are clamoring for a longer period within which to pay our war debt, I wish to call attention to reports of Congress, reports of the Treasury Department, and other statements to prove that those gentlemen are in error, and that Congress in enacting the sinking-fund provision intended the speedy payment of the war debt by the generation that made it. In support of my statement I hereby submit a paragraph from the report by Mr. Kitchin, chairman of the Ways and Means Committee, dated February 24, 1919, filed with the Victory Liberty loan bill, to wit:

"This section repeals the old sinking-fund provision, which amounted to no more than a book account, and creates a 2½ per cent cumulative sinking fund calculated to retire the whole war debt in 25 years. The advantage of a cumulative sinking fund is that it makes the amount to be set aside for the service of the debt, both on account of interest and sinking fund, substantially a permanent item at a fixed figure until the debt is retired. The bill provides that the sinking fund shall become operative July 1, 1920."

The Senate report accompanying this bill reads as follows:

"This section repeals the old sinking-fund provision which amounted to no more than a book account, and creates a 2½ per cent cumulative sinking fund calculated to retire the whole war debt in 25 years."

In the hearings before the Committee on Ways and Means of the House on this bill the Hon. CARTER GLASS, Secretary of the Treasury, testified as follows:

"I believe that immediate steps should be taken to set up a sinking fund for the retirement of the war debt. I have suggested the creation of 2½ per cent cumulative sinking fund calculated to retire the whole debt, so far as I can now estimate it, within a period of some 25 years."

The annual report of the Secretary of the Treasury for the fiscal year ending June 30, 1919, on pages 85 and 86, contains the following sentence:

"It is calculated that the operation of the cumulative sinking-fund provision will retire the funded war debt of the United States in the neighborhood of 25 years, except with respect to an amount equal to the loans to foreign governments outstanding on July 1, 1920."

In the annual report of the Secretary of the Treasury for the fiscal year ending June 30, 1920, on pages 113, 114, 115, the cumulative sinking fund is discussed and I read this sentence:

"The cumulative sinking fund, it is calculated, will retire the funded war debt of the United States, less the amount representing the foreign obligations held by the United States on July 1, 1920, in about 25 years."

The Hon. CORDELL HULL, at the time a member of the Ways and Means Committee and last fall elected a Member of the Senate, in discussing the sinking fund provision on February 26, 1919, said:

"It is estimated that the plan just stated will wipe out our war debt in less than 25 years."

Further on in his speech Mr. HULL said:

"In my judgment, the action of Congress and the Treasury in thus making comprehensive provision for the payment of the public debt is timely, businesslike, and wise."

Still further on in this speech in supporting the policy for the speedy retirement of the war debt Mr. HULL made this interesting statement:

"An interesting side light on this general phase is found in the statistics of the English estate tax. These statistics show that practically all the material capital of the country is owned by persons over 21 years of age; that persons over 45 years of age, constituting one-third of the class just stated, own three-fourths of the entire material capital. This would make the representative person over 45 years own about six times as much as the representative person between 21 and 45. It is manifest, therefore, that

if this condition should apply to the United States to a material extent the bulk of our war debt will be paid by those who did not enter the military service during the war. If true, this is as it should be."

Alexander Hamilton in one of his reports said:

"As the vicissitudes of nations beget a perpetual tendency to the accumulation of debt, there ought to be in every government a perpetual, anxious, and increasing effort to reduce that which at any time exists as fast as shall be practicable consistently with integrity and good faith."

This "perpetual tendency to the accumulation of debt" is illustrated by the following figures of the aggregate national debts of the world for various dates from 1793 to 1921:

1793	2,433,250,000
1820	7,299,750,000
1850	9,000,000,000
1874	22,500,000,000
1900	31,201,759,000
1913	43,362,300,000
1918	205,396,000,000
1919	295,070,000,000
1921	400,000,000,000

I have not the aggregate national-debt figures since 1921, but since that time the aggregate national debts of the world have increased, notwithstanding that the national debt of the United States has been considerably reduced.

Ever since the World War I have contended for the speedy payment of the war debt and for a Treasury surplus that would make that possible. I have resisted and shall continue to resist legislation for a reduction in our sinking-fund provision. In the fall of 1925, before the convening of Congress in December of that year, when the Ways and Means Committee was holding hearings on a tax revision bill a number of prominent Republicans and Democrats issued statements that were printed in the press of the country urging a reduction in our sinking fund.

President Coolidge, taking cognizance of this agitation, in his first message to Congress spoke as follows:

"It has always been our policy to retire our debts. That of the Revolutionary War period, notwithstanding the additions made in 1812, was paid by 1835 and the Civil War debt within 23 years."

"Proposals have been made to extend the payment over a period of 62 years. If \$1,000,000,000 is paid at the end of 20 years, the cost to the taxpayers is the principal, and if the interest is $4\frac{1}{4}$ per cent, a total of \$1,850,000,000. If the same sum is paid at the end of 62 years, the cost is \$3,635,000,000, or almost double."

Again in the fall of 1927, when this agitation was still on, President Coolidge, in a speech before the Union League Club of Philadelphia—he was then talking to the men who paid income taxes—had this to say, and he said nothing better during his whole administration:

"The enormous debt has been partly refinanced at progressively lower rates and increasingly diminished in amount. At the end of this fiscal year almost one-third of the entire debt will have been paid. The saving in interest alone is about \$1,000,000 for each day. But well over \$18,000,000,000 of debt still remains. It is a menace to our credit. It is the greatest weakness in our line of national defense. It is the largest obstacle in the path of our economic development. It should be retired as fast as possible under a system of reasonable taxation."

Since these statements by President Coolidge we have not heard so much against the speedy reduction of the war debt from Republicans. There are still prominent persons who favor reducing the sinking fund and the spreading of payment of the war debt over a long period of years.

I have on a number of occasions addressed the House on the importance of the speedy retirement of our war debt. Following the World War I made a study of debt operations of the leading European countries. With the exception of Great Britain none of the leading European countries have ever reduced the principals of their debts. I have here tables showing the national debts of Great Britain, France, Italy, and Belgium, covering a considerable period of years. These tables show that Great Britain has had occasional periods of debt reduction. Neither France since 1815 nor Italy since 1875 nor Belgium since 1835 has reduced the principal of its national debt. The debts of each of these three countries now is greater than it was at the close of the World War.

With your permission I shall have these tables printed following my remarks.

I have urged, among other reasons, the speedy payment of our national debt as a preparedness measure. President Coolidge, in his Union League Club speech, from which I have quoted, in referring to our national debt said:

"It is the greatest weakness in our line of national defense."

Both the great parties in their platforms of 1924 committed themselves to the principle that in the next war the material resources of the country should be drafted. It is illogical, inconsistent, and bordering on the ridiculous to take the position that in the next war material resources shall be drafted and the war fought without war debts and at the same time to urge that our present war debt should not be paid by the generation that made it. To talk that the late war was fought for future generations and that they should help pay the war debt ignores the fact that future generations will have obligations of their own, possibly war obligations included, to pay for. The obligations we con-

tracted by the late war should not be heaped upon their shoulders as an additional burden.

Just how much we will realize from our foreign debtors no one can tell. I discussed that subject in a speech on the floor of the House of Representatives on January 14, 1926. It is my position that nothing should be allowed to interfere with paying our total war debt within the 25 years as was contemplated when we enacted the sinking-fund provision.

It is my position that every generation should pay off its own debts whether such debts be national, State, or local. Especially do I insist that the war obligations and burdens which this generation voted and made should not be passed on to the next generation. This issue should be faced by us manfully and courageously with due regard for the future welfare of our Government and of our children who will sustain this Government after us. Our fathers turned this Government over to us practically without debts. They paid the debts they made. It is our duty to pay the debts we made so that we can turn over this Government to our children as free from debt as it was when our fathers turned it over to us.

It is my view that this commission as a measure of preparedness should take a definite and positive stand in favor of paying off the war debt within 25 years from July 1, 1920, as contemplated by Congress when enacting the sinking-fund provision in the Victory loan act of March 3, 1919, and that this commission should specifically recommend the maintenance unimpaired of our sinking-fund provision and such revenue legislation that will yield the necessary Treasury surpluses to pay off every dollar of the war debt not a day later than July 1, 1945.

(The memorial referred to is as follows:)

"MEMORIAL OF AMERICAN ECONOMISTS TO CONGRESS REGARDING WAR FINANCE"

"We, the undersigned, teachers of political economy, public finance, and political science in American universities and colleges, respectfully urge upon Congress to adopt the policy of taxation rather than that of bond issue as the principal means of financing the expenditures of our own country in the war on which it has embarked.

"The taxation policy is practicable. It will prevent the price inflation which must result from large bond issues. It is demanded by social justice. It will increase the efficiency of the Nation in the conduct of the war.

"The argument in support of these statements is briefly as follows:

"THE TAXATION PLAN IS PRACTICABLE"

"The taxation policy is practicable because the current income of the people in any case must pay the war expenditures. The choice between bond issues and taxation is merely a choice whether the Government shall take income with a promise to repay those who furnish it or take income without such promise. The actual arms, munitions, and other equipment and supplies for use in the war, except to the small extent that they have been stored up in the past, must be produced now, during the war itself, not after the war; and, moreover, must be produced by our own people. The policy of borrowing within the country itself does not shift any part of the Nation's burden of war expenditures from the present to the future. All it does is to make possible a different distribution of the burden among individuals and social classes, to permit repayment to certain persons who have contributed income during the war by other persons after the war. If the people can support the war at all, they can do it on a cash basis. Borrowing creates nothing. Except by borrowing abroad, which we can not do, we can get nothing which we do not ourselves produce.

"It may be necessary for a month or two at the outset to issue a limited amount of bonds pending the collection of increased taxes, but beyond these, which might well be repayable within a year, no necessity for bonds exists.

"TAXATION PREVENTS PRICE INFLATION"

"The taxation policy and no other will enable the country to escape the enormous evils of further inflation. The present high level of prices in Europe and America is primarily due to the war bonds and the paper money issued abroad. If the United States joins on a huge scale in this policy of borrowing, prices are bound to become far higher still.

"Price inflation is harmful even in times of peace. During a war it is disastrous. It increases the cost of conducting the war. It postpones victory, and thus adds to the war's toll of lives as well as to its money expenditures. By every bond issue the Government enhances the prices it must pay, and thus creates the need of more bonds. The policy works against itself.

"Moreover, inflation of prices works injustice between different classes of society. The burden rests chiefly upon wage earners and salary receivers, whose pay never rises as fast as prices, and upon those who receive fixed or contractual incomes. The hardship which millions of our people are already suffering from the increased cost of living will be made manifold greater if the Government issues billions of dollars of bonds to finance the war.

"The manner in which bond issues inflate prices may be briefly explained. The bond policy increases the amount of bank credit, which is equivalent in effect to an increase in the currency.

"For example, if the Government takes \$1,000 from a man in taxes, his credit or purchasing power is lessened to the same extent as the Government's is increased. On the other hand, if the Government borrows \$1,000 from him the quantity of purchasing

power in existence is greatly increased. He now has a bond worth \$1,000, on which he can and very often will borrow at the bank. Say he borrows \$800; to lend him \$800 the bank does not have to give him \$800 actually. Instead it gives him a deposit account of \$800; and inasmuch as most of those who present checks do not ask for actual cash, but have their checks credited to their deposit accounts, the bank can keep this \$800 in checks floating by setting aside, say, only \$200 of actual cash. In other words, this bond-issue transaction has resulted in increasing the Government's credit by \$1,000, in decreasing the man's credit by only \$200, and in decreasing the bank's money by only \$200—that is, there has been a net increase of credit currency (checking-deposit accounts) of \$600, in contrast with no net increase if taxes had been adopted instead of bonds.

"If the man had given up his money in taxes, he would have ceased to compete with the Government and other buyers of commodities and labor to the extent of \$1,000; but when the Government gives him a bond for his payment he is still enabled to compete to the extent of \$800. The purchasing power of society as a whole has increased by \$600. This inevitably forces up prices.

"The above illustrates the result of a bond issue that is taken by the public. As a matter of fact, if bonds are issued a large part of them will be taken by banks. It is likely that the Federal reserve banks will buy these bonds wholesale by giving the Government checking accounts to the extent of the bonds. This causes immediate inflation to the full amount of the checking accounts thus created; that is, inflation to 100 per cent instead of to 60 per cent of the bond issue, as outlined in the illustration above.

"As the Government draws checks on these bank accounts to meet its requirements, the banks will try to recoup themselves by retailing the bonds to the public. To the extent that they succeed the bonds get into the hands of the ultimate investor, with the resulting inflation already described. In so far as the banks are unsuccessful in this distribution, they are almost certain to issue bank notes on the basis of bonds left in their hands, and these notes will cause inflation even worse than that due to the checking accounts of the public based on bond collateral.

"JUSTICE DEMANDS THE TAX POLICY"

"The policy of taxation for war expenditures is demanded by justice. Apart from the injustice arising from price inflation, the policy of paying for the war by bond issues gives property a preference over life; it deals justly as between citizen and citizen. The question of taxation versus bonds is not merely one of economics, it is one of morals, of right against wrong.

"This war is a great social enterprise. The American people have undertaken it as a people. The future welfare of the country as a whole is involved; the future welfare of every citizen is involved. It is the duty, therefore, of every citizen to share in war's burdens to his utmost. For some the duty is to fight; for others, to furnish money. For all the duty is without limit of amount. The citizen who contributes even his entire income beyond what is necessary to subsistence itself does less than the citizen who contributes himself to the Nation.

"The man who goes to the front can not be paid back the life or the limb he may lose. The man who stays at home should contribute his just share of the money cost without expectation of repayment. That the soldier or sailor who gives himself to his country should, if he be so fortunate as to return, be taxed to pay interest and repay principal to him who has contributed the lesser thing—money—is a crying injustice. If conscription of men

is just and right, conscription of income is more so; conscription of both is just and right when the Nation's life and honor are at stake.

"TAXATION WILL INCREASE WAR EFFICIENCY"

"The policy of taxation for war expenditures will increase the efficiency of the Nation in the war. Its effect in keeping down the cost of the war has already been pointed out. Its effect on the spirit of the people is still more important. The general recognition of the justice of requiring everyone, according to his ability, to share the burdens of war, will bind the people together; the sense of injustice in the policy of borrowing will tend to drive them apart, to array class against class. Our soldiers and sailors will fight loyally in any case, but their spirit will be the more indomitable if they feel that every man who stays at home is serving the country to the utmost with his substance. An America in which every citizen without discrimination is called upon to do and to give all that he can, all that his powers permit, will be a united America; and a united America is bound to be victorious.

"SUGGESTED FORMS OF TAXATION"

"Without entering into details, concerning which opinions may differ, we recommend that, among the tax measures to be adopted for the war period, the following should be included:

- "(1) A tax which will take substantially all of special war profits.
- "(2) A material lowering of the present income-tax exemption.
- "(3) A drastic increase in the rates of the income tax, with a sharper progression in rates as incomes become larger.
- "(4) High consumption taxes on luxuries."

(The tables referred to are as follows:)

National debts of Great Britain

Debts	Principal	Annual charge
National debt at the Revolution in 1688.....	£664,263	£39,855
Increase during William III's reign.....	12,102,962	1,175,469
Debt at the accession of Queen Anne, 1702.....	12,767,225	1,215,324
Increase during her reign.....	23,408,235	1,847,811
Debt at the accession of George I, 1714.....	36,175,460	3,063,135
Increase during his reign.....	16,675,337	323,507
Debt at the accession of George II, 1727.....	52,850,797	2,739,628
Decrease during 12 years' peace, ending 1739.....	6,236,914	708,744
Debt at commencement of the Spanish war, 1739.....	46,613,883	2,030,844
Increase during the war.....	29,198,249	1,134,881
Debt at the end of the Spanish war, 1748.....	75,812,132	3,165,765
Decrease during 8 years' peace.....	1,237,107	412,199
Debt at commencement of Seven Years' War, 1756.....	74,575,025	2,753,566
Increase during the war.....	52,219,912	1,994,283
Debt at the peace of 1762.....	126,794,937	4,747,849
Increase during 13 years' peace.....	367,476	44,530
Debt at commencement of American war, 1775.....	127,162,413	4,703,519
Increase during the war.....	104,681,218	4,362,056
Debt at the end of American war, 1783.....	231,843,631	9,065,595
Increase during 10 years' peace.....	16,031,203	645,653
Debt at commencement of French war, 1793.....	247,874,434	9,711,238
Increase during 9 years' war.....	289,778,574	10,557,313
Debt at the peace of Amiens, 1802.....	537,653,008	20,268,551
Increase during 13 years' war.....	337,783,837	12,377,037
Debt at the peace of Paris in September, 1815.....	900,436,845	32,645,618
Decrease to Mar. 31, 1855.....	91,918,397	4,781,035
Debt in March, 1855.....	808,518,448	27,864,533
Increase during 2 years of the Russian war.....	30,399,995	816,644
Debt in March, 1857.....	838,918,443	28,681,177
Decrease during the past 41 years.....	200,651,951	3,581,177
Debt in March, 1898.....	638,266,492	25,000,000

The national debts of Great Britain

Financial year	Dead-weight debt	Cost of interest and management	Gross amount redeemed	Debt created in the year	Net decrease	Net increase
1804-05.....	£664,794,901	£25,000,000	£8,885,973		£8,885,973	
1805-06.....	655,908,928	25,000,000	7,602,502		7,602,502	
1806-07.....	648,306,426	25,000,000	7,183,000		7,183,000	
1807-08.....	641,123,426	25,000,000	6,052,791		6,052,791	
1808-09.....	635,070,635	25,000,000	7,049,063		7,049,063	
1809-1900.....	628,021,572	23,216,657	7,090,919	£8,000,000		£909,081
1900-1.....	628,930,653	19,835,489	1,460,700	62,000,000		60,539,300
1901-2.....	689,469,953	21,685,532	4,454,303	60,000,000		55,545,697
1902-3.....	743,015,650	27,282,058	6,236,888	32,000,000		25,763,112
1903-4.....	770,778,762	27,000,000	10,148,985	2,000,000	8,148,985	
1904-5.....	762,629,777	27,000,000	8,315,100	757,432	7,557,668	
1905-6.....	755,072,109	28,025,027	11,852,132	Nil.	11,852,132	
1906-7.....	743,219,977	28,500,000	13,714,432	Nil.	13,714,432	
1907-8.....	729,505,545	29,500,000	18,029,680	Nil.	18,029,680	
1908-9.....	711,475,865	28,000,000	8,767,968	Nil.	8,767,968	
1909-10.....	702,687,897	21,757,661	10,442,489	21,000,000		10,557,511
1910-11.....	713,245,408	24,554,004	28,012,949	Nil.	28,012,949	
1911-12.....	685,232,459	24,500,000	10,487,978	Nil.	10,487,978	
1912-13.....	674,744,481	24,500,000	13,270,716	Nil.	13,270,716	
1913-14.....	661,473,765	24,500,000	10,203,674	Nil.	10,203,674	
1914-15.....	651,270,091	22,068,896	8,953,015	466,500,000		457,546,985
1915-16.....	1,108,817,076	60,249,311	599,598,339	1,631,529,907		1,031,931,568
1916-17.....	2,140,748,644	127,250,493	1,295,573,616	3,166,270,880		1,870,697,264
1917-18.....	4,011,445,908	189,851,066	201,509,133	2,061,913,862		1,860,404,729
1918-19.....	5,871,850,637	269,994,650	384,325,886	1,947,424,678		1,563,098,792
1919-20.....	7,434,949,429	332,033,708	987,946,296	1,384,741,167		396,794,871
1920-21.....	7,831,744,300					
1925.....	7,646,394,000					
1930.....	7,469,038,811					

Total debt, funded and floating, of France

Date	Francs
1815.....	1,601,000,000
1830.....	5,182,000,000
1847.....	6,708,000,000
1852.....	6,639,000,000
1868.....	12,383,000,000
1873.....	21,699,000,000
1883.....	27,401,000,000
1893.....	30,313,000,000
1903.....	30,799,000,000
1913.....	33,637,000,000
1914 (July 31).....	34,188,000,000
1914 (Dec. 31).....	40,008,000,000
1915.....	58,465,000,000
1916.....	82,504,000,000
1917.....	114,200,000,000
1918.....	171,353,000,000
1919.....	240,242,000,000
1920.....	286,524,000,000
1921.....	297,367,000,000
1922.....	316,984,000,000
1925.....	421,000,000,000
1930.....	449,000,000,000

Growth of the public debt of Italy

Date	Lire
June 30, 1875.....	8,471,000,000
June 30, 1880.....	9,833,100,000
June 30, 1885.....	11,417,200,000
June 30, 1890.....	12,367,400,000
June 30, 1895.....	12,864,700,000
June 30, 1900.....	13,430,700,000
June 30, 1905.....	13,285,600,000
June 30, 1910.....	13,077,900,000
June 30, 1914.....	14,839,759,000
June 30, 1918.....	43,414,451,498
June 30, 1920.....	92,484,000,000
June 30, 1921.....	106,541,000,000
June 30, 1922.....	113,204,000,000
June 30, 1925.....	117,126,000,000
June 30, 1930.....	190,517,000,000

Growth of the national debt of Belgium

Date	Francs
1835.....	117,237,380
1840.....	279,995,120
1850.....	626,578,861
1860.....	634,137,847
1870.....	682,880,914
1880.....	1,422,814,049
1890.....	2,018,043,774
1900.....	2,708,549,151
1905.....	3,246,474,123
1910.....	3,839,608,193
1914 (Aug. 15).....	4,592,883,549
1919.....	23,337,000,000
1920.....	28,075,000,000
1921.....	33,937,000,000
1922.....	35,743,000,000
1925.....	42,043,500,000
1930.....	51,969,000,000

FIRST DEFICIENCY APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6660) making certain appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes. Pending that, I ask the attention of the gentleman from Indiana [Mr. Wood]. I realize, of course, that most of the time in general debate yesterday was consumed by this side. I understand the gentleman from Indiana wishes to proceed himself. Is there anyone else that he desires to speak?

Mr. WOOD of Indiana. None that I have in mind now.

Mr. BYRNS. I have a request from the gentleman from Mississippi [Mr. COLLINS] for 15 minutes to discuss a matter outside of the bill. With that exception I suppose we may have an understanding that I may yield to Mr. COLLINS or some one else those 15 minutes, and that we may begin the reading of the bill at the conclusion of the gentleman's remarks.

Mr. WOOD of Indiana. Yes; with this further exception: The gentleman from Colorado [Mr. EATON] yesterday asked me for 15 minutes. He is not here at present, but in the

event he should come in and desire the time, I would like to have the privilege of yielding to him.

Mr. BYRNS. Then we shall have that understanding, that at the conclusion of those three possible speeches we may proceed with the reading of the bill under the 5-minute rule?

Mr. WOOD of Indiana. Yes.

The SPEAKER. The gentleman from Tennessee moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the first deficiency appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the first deficiency appropriation bill, with Mr. MOREHEAD in the chair.

The Clerk read the title of the bill.

Mr. WOOD of Indiana. Mr. Chairman and gentlemen of the committee, first I commend the splendid presentation made yesterday by the gentleman from Tennessee [Mr. BYRNS] of what is contained in this first deficiency appropriation bill and also commend him for the high plane upon which he pitched his address and the patriotic position he has taken with reference to the discharge of his duties during these depressed times. [Applause.] I trust that the example set by him and the practice that he will follow will be emulated by every Member of this House, no matter on which side of the aisle he may sit. In the days of the war there was no difference of opinion here. One would not know there was a dividing line separating politically one side from the other. Every man then was willing to bear his share of the burden and to make the sacrifice necessary to win the war.

We were then raising vast sums of money and spending it like drunken sailors. Inflation was in the air, it permeated everything. We are now reaping the harvest of that whirlwind. It needs just as much of patience, of fortitude, and of sacrifice now to build up again what was then torn down, that was then necessary in order that we might win the war. While it is not my purpose to speak with reference to the particular items in this bill, which were so ably presented yesterday, it is my desire, however, to call attention to one or two salient features of the address of Mr. BYRNS. He stated during the course of his remarks what the fixed charges are against this Government, which there can be no hope of reducing. They amount to more than \$3,000,000,000. The places where reductions may be had are scarce, and it is going to take a good deal of courage on the part of Members of this House and the other body to make the reductions that should be made and must be made if we are to reduce the expenditure of government. To my mind, one of the best avenues through which this may be done is by the adoption in principle and in practice of the recommendation made by the President a few days ago for the sifting out of different bureaus and commissions that are duplicating their work and in consequence employing great numbers of people and spending in their compensation a great amount of money. Gentlemen would be amazed if they should take the time to investigate, as some have, at the number of commissions and bureaus of the Government overlapping each other, each doing some of the same work the other is doing. In one or two cases they tell me it amounts to as much as eighty. I shall call attention to just a few of them. Before doing that, however, I want to lay the blame for the present condition and for the number of bureaus and commissions in this country where it belongs. That blame should be laid at the door of Congress itself, because not one of them that exists to-day would have existed but for the action of Congress. One of the great troubles with the legislation that brings them into being is Congress giving them too much leeway. We adopt a resolution or pass a law for the creation of some new bureau or commission, and we place in that resolution or law a proviso that the commission may adopt regulations for its conduct and control. Under that broad blanket of power they commence legislating immediately, and it is not long before the thing has grown beyond bounds, far beyond the expectation of Congress that made it

possible, and they are doing things that it was never intended they should do. Therefore, I say the Congress itself should be more mindful, if we ever create any more of them, and I hope we shall be very slow to do it, in order not to make such blanket provisions.

A lot of these things should be abolished. Attempts to abolish them have been made, but thus far they have proved futile. You who were here at that time will remember that during the Harding administration the President appointed a commission, without any authorization of law, to make a survey of all the different departments of the Government to see wherein there was overlapping and wherein reductions might be made. That commission labored for more than a year and then came to a conclusion; but in order to make it effective they had to have the consent of the different Cabinet officers and different bureaus that were affected, in order that the changes might be made.

Like courts, all jealous of their jurisdiction, they came to absolutely no agreement and, in consequence, the whole undertaking came to naught.

There should be some sort of machinery set up for the purpose of going to the bottom of this thing and finding out where changes may be made, and then make those changes by legislation. [Applause.]

I just want to point out one or two of these institutions. The United States Government should stay out of business. We have been proclaiming on our side, as you have been proclaiming on your side, that we should have more business in government and less government in business, and yet we are going into business deeper and deeper all the time. For instance, the Government is engaged in the merchant marine business, and it has no right to be engaged in that business. Ours is the only Government upon the face of the earth that has a transport system. What does our transport system amount to in case of war? To but very little. We have a transport system that belongs to the Navy, one that belongs to the Army, one that is operated by the Panama Canal Railroad. They are engaged constantly in mercantile business, in addition to the business that they were set up and created for. Ours, as I have said, is the only nation on the face of the earth that has such a transport business. What do they do? They are in competition with the merchant marine of the United States, which is struggling day by day for its very existence. It is not fair to the merchant marine, and it is not fair to the business interests of this country. Why? The transports which operate between this country and the Orient have only two ports of entry, one at New York and the other at San Francisco. In consequence, the people who furnish supplies to be transported upon those ships must get those supplies to either one or the other of those ports of entry. Every other port in this country is denied that privilege, yet every other port in this country has vessels that parallel those lines which are traversed by the transports, going to their various destinations. The entire Mississippi Valley, practically, is denied any opportunity to compete in this matter. Suppose an advertisement for bids is put out for the purpose of furnishing a thousand head of cattle. The cattle raiser in Indiana or in Ohio can not compete with the man who raises cattle down near the port of New York or near the port of San Francisco, because the freight would eat him up, whereas he might take his cattle down to one of the southern ocean or river ports, where vessels which are just as good and which travel much oftener, would give him some opportunity to enter into the competition.

Another thing, when war comes, the Army transport ceases to be. It is taken over by the Navy and becomes a part of the Navy operations. What does it amount to during a war? It played a very small fiddle. We had to commandeer many of the merchant ships of this country for the purpose of transportation. God forbid that we ever need them for war purposes, but it would be better to have the merchant marine of this country equipped to do that work in case of war. It would be better to have the merchant marine of this country, which becomes an arm of the Navy, equipped

and trained to do that kind of work, and it can best be equipped by giving it practice. I am glad to note that there are a number of people throughout this country who are awakening to the fact that the Government ought to get out of the transportation business.

There have been a number of resolutions adopted. One was adopted by the National Rivers and Harbors Congress, which was held in this city a few weeks ago. That resolution is as follows:

We note with regret and disfavor the continued operation of Army and Navy transports and of the Government-owned Panama Railroad Co. steamship lines in competition with privately operated services, and urge that they be discontinued to the end that all sections of the country shall be on an equality in bidding for materials and supplies used by the Government.

A similar resolution was adopted by the Mississippi Valley Association at St. Louis on November 23, 1931, and reads as follows:

RESOLUTION PASSED AT THE THIRTEENTH ANNUAL MEETING OF THE MISSISSIPPI VALLEY ASSOCIATION, ST. LOUIS, MO., NOVEMBER 23-24, 1931

We note with regret and disfavor the continued operation of Army and Navy transports out of the ports of New York and San Francisco and of the Government-owned Panama Railroad Co. steamship lines out of New York. These services are unnecessary and uneconomic and constitute a geographical discrimination against the Gulf ports and the producing interests of the Mississippi Valley.

A more forceful and extended resolution was adopted by the Eleventh Annual Middle West Foreign Trade and Merchant Marine Conference at Louisville, Ky., on October 27, 1931, which reads as follows:

THE PANAMA RAILROAD STEAMSHIP LINE AND THE ARMY AND NAVY TRANSPORT SERVICES RESOLUTION

The continued operation of the vessels of the Panama Railroad Steamship Line and the Army and Navy Transport Services is in direct competition with vessels owned privately by citizens of the United States, furnishing frequent, dependable services to the Panama Canal Zone and our outlying possessions; and

By reason of the fact that excellent services to the Panama Canal Zone and our outlying possessions are being maintained by private interests, the need for the continuance of the services rendered by the Panama Railroad Steamship Line and the Army and Navy Transport Services no longer exists; and

Manufacturers and exporters located in the Middle West are at a disadvantage in competing with other manufacturers and exporters more conveniently located to the termini of these services by reason of the fact that any bids made for the supplies and materials to be sent to the canal or our outlying possessions must include the inland freight rates to the terminal of the Panama Railroad Steamship Line or the termini of the Army and Navy Transport Services; and

The Congress of the United States has declared it to be the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of a merchant marine; and

As a matter of economy, a saving to the Government in transportation costs would result if private steamship companies enjoyed the transportation of Government supplies and passengers;

Therefore it is the sense of this convention, held under the auspices of the Middle West Foreign Trade Committee, that the services performed by the Panama Railroad Steamship Line and by the Army and Navy Transport Services be discontinued at the earliest possible moment; and that

The vessels now operated by the Panama Railroad Steamship Line and by the Army and Navy Transport Services be sold to private interests or turned over to the United States Shipping Board for sale to or operation by private interests or be placed out of commission.

The officials of the Middle West Foreign Trade Committee are hereby instructed to take such action as to them may seem proper with the view to accomplishing the purposes of this resolution.

I have referred to this briefly in order that the Members of the House may give it further consideration.

Mr. CLARKE of New York. Will the gentleman yield to permit a question?

Mr. WOOD of Indiana. I yield.

Mr. CLARKE of New York. Why is it that Congress seems lacking in power to help get the Government out of business? Why can it not be accomplished? Let me point out one thing that ought to be cured. We created the Farm Bureau under the law. The Farm Bureau set up the Stabilization Corporation, which to-day is right squarely in business. Why is it that we can not get action to get those people out of business?

Mr. WOOD of Indiana. As I stated previously, it is the fault of Congress itself. In the very organic law they were given an opportunity to make these regulations, and they commenced legislating to suit themselves, and they do it without a single exception.

There is another activity to which I wish to call attention, that has been an eyesore to this Government ever since it was created and will be as long as it is continued. I refer to the Shipping Board. The Shipping Board should be abolished or its functions should be reduced to the purpose for which it was primarily instituted, that is, for insurance, etc., a sort of regulatory board. Its transactions, as far as operating ships is concerned, have been the most expensive matter ever fastened upon this Government, and everyone who has inquired into it knows that what I say is true. It is without any efficiency. Let us consider for just a moment the manner of selecting its directors. Under the law they are to be selected by zones; one from this zone, one from that zone, and one from the other zone—five in number. In consequence, nine times out of ten, it is impossible to find in a particular zone a man who will accept the position, who is fit for the place. There has been constant turmoil and dissension among the members of the Shipping Board ever since it was created. If any banking institution of this country were conducted as the business of the Shipping Board has been conducted it would go to the wall in six months.

There is another thing that was alluded to on yesterday to which I desire to refer for a few minutes, and that is the practice of passing resolutions directing the Federal Trade Commission to make investigations. I have no fight to make against the Federal Trade Commission. I have defended it upon this floor when it was attacked on your side and on ours, but it, too, has been abusing the purposes for which it was created. It is now going all over this country sticking its nose into private business, and it is doing that to an extent which was never intended by the law. [Applause.] In consequence the business of this country is becoming dissatisfied more and more each day.

There was an old business man in my town who told me a few years ago that it used to be a pleasure for him to go to the post office and get his mail, but he says that now it is a great displeasure because there is hardly a day or a week that passes but that he receives something from some department of this Government asking him to fill out a questionnaire as to his business and his neighbor's business. That has gotten to be a common nuisance, and it ought to be abolished.

So I say we should begin to clean house from within, and if we do that thing we can save millions of dollars to this country and have a more efficient Government.

There is another thing about which we should be more mindful. With the passing of each year and with the convening of each Congress legislation is proposed which takes away more and more of the power of the States and drops it into the lap of Uncle Sam. It will not be long before we will look back as only a memory upon our once boasted State rights and State independence.

We are creating bureaus for the purpose of regulating almost everything and doing almost everything that should be the peculiar function of the States, not only costing the Federal Government itself millions of dollars but, incidentally and by reason of the fact that the States must cooperate with the Federal Government, costing the States millions and millions of dollars. Yet we talk about taxes being high. That is the reason taxes are high, not only in the Federal Government but in the State governments.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. LA GUARDIA. I am very much impressed by the gentleman's statement with reference to this mail matter going out, yet the distinguished bed-time story teller of the administration, Dr. Julius Klein, was on the air last Sunday and he was telling about the great benefits of these publications and about the great demand there was for them.

Mr. WOOD of Indiana. Yes; and there is another thing that I know could be lopped off without any hurt to the Government at all. Every one of these Cabinet offices—although I may be mistaken with reference to one or two—has a press bureau and is paying thousands and thousands of dollars for the purpose of bragging about itself.

There is another thing to which I want to call your attention. Away back at the beginning of things the United States Congress used to pass upon every claim that was filed against the Federal Government. As the Government grew and these claims became more numerous they got to be burdensome and in consequence the Congress created what is called the Court of Claims. It is purely a fact-finding court and it is not a judicial court at all, yet it has assumed itself to be and now proceeds upon the theory that it is a judicial court.

It occurs to me, from some observations I have made by reason of some of these claims coming to my attention, that instead of its being a court for the purpose of protecting the Treasury of the United States it has proven itself to be a court for the purpose of protecting the fellows who have presented all sorts of claims, whether just or unjust, which will enable them to get their hands into the Treasury of the United States.

I want to give you one or two examples of what this court, or this so-called court, has been doing. Directly after the war we established a vocational educational school for the benefit of the disabled soldiers at Pocono Pines in Pennsylvania. A lease was drawn which was signed by the Government on one side and by the owners of the Pocono Pines Hotel on the other. The hotel company was charged with doing all of the janitor work, keeping everything in repair, and all the Government was supposed to do was to pay the rent, except that if there should be a destruction of the property by fire, by reason of the direct act or the extraordinary carelessness of the Government, then the Government would be responsible. Well, something happened and the whole property burned down. The Government refused to pay because, after an investigation, the facts showed that the fire was the fault of the company itself. The company then sued the Government, and the case was brought before this Court of Claims. The attorneys representing the Government relied upon the fact that the burden of proof was upon the owners of the hotel to show that the fire was caused by reason of one of the exceptions that would bind the Government. The plaintiff in the case, the hotel company, put its witness on the stand, proved that the property burned down, took him off the stand, and that was all the evidence produced in the case. The attorneys for the Government introduced no evidence because, as I have said, they relied upon the presumption that the burden of proof was on the hotel company. The court immediately rendered a judgment against the Government for the full amount of the claim. The young attorneys who were representing the Government were absolutely astounded. They asked permission then to reopen the case and put in their proof, proof which they thought justified them in refusing to settle the claim out of court. The court refused to permit that, and the court also refused to grant a new trial. The result was that the claim came to Congress for payment. These facts came to the attention of the Appropriations Committee, and the committee did not allow the claim. They tried to get it in on the other side, and did get it in, but we knocked it out in conference, and we put in a provision to the effect that this court should reopen that case and permit the case to be determined upon the facts. However, they have not done that up to date, but they did get an attorney, one Mitchell Palmer, to render an opinion saying that it was a reflection upon the court for the Congress to ask any such thing.

As long as I stay in this Congress and can have the support of other members of the committee, the owners of Pocono Pines or coconut pines will be old citizens before they ever get this money. [Applause.]

Here is another case that was decided by the same court. There was a man by the name of General Dalton, who is

from my county in Indiana. He was a brigadier general at the time of his retirement. After his retirement he was appointed president of the Emergency Fleet Corporation. Soon after his appointment he came before our committee to justify the appropriations asked by the corporation, and, among other things, we inquired as to his receiving his retired pay. It was provided in the Shipping Board act that we might pay as high as \$18,000 to the president of this corporation, and we have been paying that amount. I asked General Dalton myself whether or not he expected to receive pay as a retired Army officer during the time he was president of the Emergency Fleet Corporation, and he said that he would not, stating he understood there was a statute forbidding it. In consequence, we let the \$18,000 a year stand. He served about two years as president of the corporation and then went out. The Finance Officer of the Army refused to pay him his back pay as a retired Army officer when he asked for it, and not content with this he brought a suit against the Government before this same so-called Court of Claims. They heard the evidence in the case and heard the evidence adduced before our committee when the general himself said he did not expect to receive and would not receive his retired pay during the time he was occupying the office of president of the corporation. Notwithstanding this fact they gave him a judgment for \$11,000, which was the full amount of his pay for two years with interest. To my mind that was downright dishonesty, and no man from Indiana can get that kind of money out of the Treasury if I can help it. [Applause.]

Mr. FREAR. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. FREAR. I believe the gentleman is conferring a great favor upon the Congress in discussing this question. Will the gentleman give us his understanding of how it is this court has increased its jurisdiction so that instead of being a fact-finding commission or a fact-finding jury it is now a court that can render these judgments authorizing them to bring such matters before the Congress?

Mr. WOOD of Indiana. Just through force of habit and because it has been submitted to so long. However, it is time we called a halt on this court by reversing some of its decisions.

This is not all. I could cite you a dozen examples where Army officers and Navy officers have obtained money that did not belong to them; and under the law they should be made to pay the amount they owe the Government, and it is the duty of the Treasury to keep it out of their hands. Payments in a dozen different cases that I know of were denied by the comptroller, but they brought suit before the Court of Claims and got judgment and got their money.

These are but a few of the abuses, gentlemen, and I think I am well warranted in the statement I have made, and which I now reiterate, that if the business of this Government were conducted as the business of a well-managed corporation there would not be any deficit. I trust these suggestions will be of some service, and perhaps before this session of Congress ends we will have an opportunity to further express ourselves when there can be something constructive offered to this House as a remedy.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. O'CONNOR. The gentleman has talked about the three billion dollars or so of fixed charges; is it not a fact that some of these charges are fixed by reason of legislation?

Mr. WOOD of Indiana. Yes.

Mr. O'CONNOR. And if we repealed or modified that legislation we would not have some of the fixed charges.

Mr. WOOD of Indiana. Yes; that is true; but the bulk of the fixed charges mentioned by the gentleman from Tennessee [Mr. BYRNS] I expect it would be pretty hard to repeal. I do not know that it would be possible to do it.

Mr. O'CONNOR. There is some legislation that was wartime legislation which is still on the books and which accounts for some of these fixed charges.

Mr. WOOD of Indiana. That is true.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. WOOD of Indiana. I yield.

Mr. BANKHEAD. The gentleman referred to the abortive effort made under the Harding administration to get through a bill, or some agreement, with reference to a reorganization of our Government departments and bureaus. As the gentleman from Indiana will recall, on the recommendation of the President there were on that commission men who were not Members of either the House or the Senate. If any effort of this sort is made in the future—and I trust such effort will be made—does not the gentleman think that outsiders should be eliminated from such a commission, and that the function and the responsibility should rest entirely on the Members of the House and of the Senate?

Mr. WOOD of Indiana. Yes; I think that would be better for a good many reasons. In the first place, the Members of the House and of the Senate appointed upon such a commission would feel it was their bounden duty, as part and parcel of the body they represent, to be impartial, and, of course, we are all more or less subject to influence, and those on the outside, unconsciously, are more easily influenced in a matter of that sort than men who are on the inside.

Mr. GIBSON. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. GIBSON. There has been a great deal said in regard to our continuing deficit; can the gentleman tell us how much that amounts to each day?

Mr. WOOD of Indiana. No; I can not.

Mr. GIBSON. Is it not something like \$6,000,000?

Mr. WOOD of Indiana. I suspect it is. I even hate to think about it.

Mr. GIBSON. That is, we are paying out about \$6,000,000 more than we are receiving every day of the year under present conditions?

Mr. WOOD of Indiana. Yes.

There is one other thing I will call to the attention of the House. I have long advocated the abolishment of the numerous purchasing agencies of the United States Government. I introduced a bill here that became a law which partially performed this service, and made it possible to purchase in large quantities and get the proper discount and also have proper warehouse facilities for the purpose of storing the various supplies.

I think one of the best things that could happen to this Government would be to have a purchasing agent qualified to be a purchasing agent. If we could have one like the great department stores have, like Montgomery Ward & Co., and some of those other great corporations have, who knows how to buy, where to buy, and when to buy, he could save the Government a lot of money.

Mr. O'CONNOR. The gentleman knows that some municipalities in some of the States have purchasing agents.

Mr. WOOD of Indiana. They do.

Mr. FREAR. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. FREAR. While the gentleman is discussing this subject, will he discuss the question of disbursing agents? The comptroller says that there are 3,000 disbursing officers who could be displaced by 50 who could give the same service.

Mr. WOOD of Indiana. I am glad the gentleman from Wisconsin has mentioned that. There are entirely too many disbursing officers throughout the country. Many of them are mere sinecures, and there is no necessity for them. There are many of these things throughout the Government service, and I trust that Members of Congress will make an investigation of it so that they can be informed as to what is going on.

The President has recommended a consolidation of various departments into one whole, where they will take out the overlapping service and clean out the old deadwood. It would not only benefit the Treasury of the United States but it would result in a more efficient Government and more

satisfaction to the people, who are getting very tired of the way they are perplexed.

Mr. ARENTZ. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. ARENTZ. The gentleman has touched on the rule by regulation rather than by statute. I hope the gentleman will go into that some time and tell the House and the people how they are harassed by regulations in more cases than by statute. Every bureau we have takes upon itself the right to make regulations, and they go into every nook and cranny in the United States.

Mr. WOOD of Indiana. The gentleman is correct. I thank you. [Applause.] Mr. Chairman, I now yield 15 minutes to the gentleman from Colorado [Mr. EATON].

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent for leave to extend my remarks in the RECORD by inserting certain citations to which I will refer.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. EATON of Colorado. Mr. Chairman, the subject of my speech to-day is not a new one to all of you this session. The subject is silver. You have heard a lot about it, you have read a lot about it, but practically no one has taken any step forward in getting a solution of the question whether silver is the cause of the depression or is an effect of the depression.

A recent issue of a bulletin contained a headline entitled "Cheap Silver the Result and Not the Cause of Depression."

From my viewpoint, and I will try to demonstrate that it is correct—the statement ought to be that cheap silver is one of the causes, and not the result of the depression.

If all of us here had had the same knowledge in regard to silver, if some of you had made a study of what is written in the books, we might have common ground on which to start, but I think it is true and can not be gainsaid that all the books on silver, either as coinage or as a commodity—books on economics available to us—are based on the premise that silver has been in fact used as a part of the coinage system.

To-day in the United States that is not the fact. It was in 1873 that silver as money was demonetized. Arrangements were made to make a big dollar, called a trade dollar, containing 420 grains of pure silver, for five years. Those dollars were legal tender. In 1887 they were recalled, and of the thirty-odd million that were issued only seven or eight million were ever turned in under the recall statute. The balance were turned in later and remelted as silver. In 1878 the standard silver dollar was again made a legal tender, and from that time until 1893 there were different statutes in existence which provided for both the purchase of silver and the coinage of silver dollars. It was during that period, in 1886, that for the first time the dollar bill in lieu of the silver dollar was made available as a part of the currency of our country, and since that time the paper dollar has entirely replaced the silver dollar in the eastern part of the United States. Out of \$539,958,327 in silver, both in bullion and in silver dollars, accounted for by the Treasury only \$41,136,987 are in any kind of circulation, \$7,871,017 are held by reserve banks or agents and only \$33,265,970 are in the pockets of the people or in their own private hoards. The rest, \$491,932,687, is represented by paper dollar bills. As you read the remarks of bankers and economists, business men, and representatives of the United States Chamber of Commerce, all telling about the different causes of the depression, it might be well to look back into the vaults of the banks, and there you will find there are two items that are the subject of hoarding. Our gold is hoarded and it is represented by paper. It is not used in our currency. It is used in international settlements. Our Government is said to be still on a gold standard.

Some of the governments of Europe are on a gold standard. More than half of the people of the world are doing their business either on a silver standard or not on a gold standard, but here in the United States we are doing business on neither a gold nor a silver standard. We are doing business on a paper standard. We have our currency act. We have a hoard of gold against which we issue paper and

a hoard of silver against which we issue paper, and you ask, why do I mention it? I mention it for the reason that in our business there is no complaint yet caused by the hoarding of gold and the issuance of paper against it; but in our business through all the world there is a continual complaint that there is something the matter with silver. Look at the various nations of the world. Look at India with its half billion ounces to be put on the market, with more than 100,000,000 ounces already put into the market, and the balance held as a hoard and menace against the silver production of the world. That represents two years' production from the mines. The production from the mines amounts to from 200,000,000 to 250,000,000 ounces a year, and here is India with 400,000,000 ounces ready to put out, and why? Simply because of the order of England. As time wears on and business conditions tighten up, the value of silver goes lower, and the figures representing its price go lower, so that more silver dollars have to be traded for more gold dollars for the Chinese and Indian trade. We keep looking and we find in our United States over half a billion dollars of silver that is just a hoard in the banks, in the United States Treasury vaults, not being touched. It does not move. Of course most is represented by the silver paper dollar. It is said that that is a substitute for it, but the substitute wears out and is replaced, and the silver does not wear out and the silver is not replaced. The silver is right there. There is no fluidity of movement, there is no movement at all, there is no stream in which any of the silver production of any part of the world or any of the silver from one of the countries that is unloading it, can be swallowed up and passed along and used up and finally disposed of.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. EATON of Colorado. Yes.

Mr. ABERNETHY. What is the ratio between silver and gold now?

Mr. EATON of Colorado. I do not know exactly how to answer the gentleman to satisfy him, but I can give him two answers. One is that in the production of gold and silver of the world the ratio is about 13½ silver ounces to one gold ounce. Fourteen billion one hundred and forty-three million ounces of silver have been produced in the world in all time, and a little over a billion (1,041,000,000) ounces of gold, so far as shown by the statistics which have been available to me.

Mr. ABERNETHY. What is the silver dollar worth now as compared with the gold dollar?

Mr. EATON of Colorado. Twenty-three and two-tenths cents to a dollar on to-day's market price of silver.

Mr. KNUTSON. That is the intrinsic value.

Mr. EATON of Colorado. The silver in the coin is worth a little less than 25 cents.

Mr. ABERNETHY. How much silver is in the Treasury of the United States?

Mr. EATON of Colorado. A little over five hundred million.

Mr. ABERNETHY. And how much gold?

Mr. EATON of Colorado. A little over four billion.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. EATON of Colorado. Yes.

Mr. COLTON. In reply to the question as to the coinage during the period from 1905 to 1929 the ratio was practically 16 to 1?

Mr. ABERNETHY. Are they still coining silver dollars?

Mr. EATON of Colorado. They are not. None have been coined for several years.

Mr. ABERNETHY. Why did they stop it?

Mr. EATON of Colorado. The silver in the Treasury is not being used up, it is not going out.

Mr. ABERNETHY. They use the paper dollar based on the silver in the Treasury, but they do not coin any more silver dollars.

Mr. EATON of Colorado. That is right. If you want a silver dollar here as a part of your pay, you have to give the Sergeant-at-Arms a special order to get some silver dollars,

and it takes him three days here in the House of Representatives to get five silver dollars to give to you.

Mr. ABERNETHY. Where are all the silver dollars?

Mr. EATON of Colorado. Most of them are in the Treasury of the United States.

Mr. ABERNETHY. Is there anything issued against those silver dollars?

Mr. EATON of Colorado. Paper; silver certificates.

Mr. KNUTSON. Will the gentleman yield?

Mr. EATON of Colorado. I yield to the gentleman.

Mr. KNUTSON. There is practically no silver in circulation east of Chicago.

Mr. EATON of Colorado. That is true. West of Chicago, since the small dollar bill came into existence, the use of silver dollars has ceased there to a certain extent.

Gentlemen, my purpose in speaking to you here to-day is to get you to think about this hoarding of silver against which we have issued paper certificates, which is just a glut and a dam in that part of the economic structure, and it does not move. Some will say, "How will you move it? Will you introduce a bill to stop the issuance of paper dollars?" It may be that I will. I would like to have the thought and advice of some of the Members. The preparation of a bill is one thing, but the remedy is another.

Mr. ABERNETHY. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. ABERNETHY. The gentleman is making a very interesting statement, but I am wondering why the gentleman does not introduce a bill to give us more money instead of the little we have. That is the trouble, as I see it. We have not enough money. The dollar is worth a great deal more than it was at one time. Now, the gentleman does not correct that by his suggestion. The gentleman says he simply wants to use silver instead of paper. Why does not the gentleman do something to put more dollars into circulation if he desires to do something for the country? Then we will join the gentleman.

Mr. EATON of Colorado. The first step is to start to move the silver out of the Treasury.

Mr. ABERNETHY. No. Let us go the whole way and provide for money. Let us go "whole hog" and get through with it. If the gentleman will start something along those lines we will follow him. I want the dollar to buy less than it is buying now. That is what I want, and that is what the country wants. If the people who are in favor of silver can show us a way, we will go with you. We want to get out from under the influence of the money sharks of the country. That is what is the matter with the country.

The dollar to-day buys one-third more than it should buy, and it should not be that way. It represents \$1.47 now as compared with former value. If the gentleman will work out a plan along these lines, we will go along with you.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. EVANS of Montana. There was introduced in both the House and the Senate yesterday a bill to remonetize silver at the ratio of 16 to 1. If the gentleman will vote for that, he will accomplish what he has in mind.

Mr. KNUTSON. Will the gentleman yield right there?

Mr. EATON of Colorado. I yield.

Mr. KNUTSON. We speak of ratios of 16 to 1, but the production of silver over the world is so great that I am wondering how we could maintain a fixed value like that maintained on gold.

Mr. EVANS of Montana. We may not be able to do so. What the world needs is more money. There are only about \$11,000,000,000 worth of gold in the world. Three-fourths of the people have not got a dollar in circulation in this country. In this country and France we have two-thirds of all the gold reposing in our vaults. What the world needs is more money with which to do business. If we can coin silver, we will have more money in the world with which to buy our goods.

Mr. EATON of Colorado. Mr. Chairman, the introduction in another body of a bill to coin silver at the ratio of 16 to 1 has been mentioned, but remonetization, bimetalism,

16 to 1, cross of gold, and all those words, are used in connection with silver, but nobody does anything. I am proposing something which can be done. First, begin to use our silver in the currency of the country, and that will give a start to use metal money, which we are not now using.

Then as the metal money begins to flow the Treasury will be able to take more money, buy more silver, and coin more silver, and then start silver going. That then puts us in a position where we can say to England and France and the other countries, "Will you come and join us in some kind of conference?" To-day we can not ask the other nations to confer with us because we are the misers. We have our silver. We are not touching it. We are just like the man who has a Sunday suit of clothes and who uses his overalls to work in every day in the week. He still has his Sunday suit of clothes.

Mr. ABERNETHY. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. ABERNETHY. I can see where it would help the people who own silver mines to use silver instead of paper. I can see how that can help, because the silver would wear out, but why do not the people who are interested in silver propose to give us more money and make the dollar less valuable, and then they will hit the people who are hoarding the money of this country and bringing about this depression. If the gentleman will do something along these lines, he will get somewhere with it.

Mr. EATON of Colorado. May I answer the gentleman in this way? There is one thing about silver, you may lose it and it may disappear from your personal possession, but it does not disappear of itself. It does not pass out of actual existence. All the silver that is in the mines is still there. All the States that produce silver have had to learn, since 1893, how to get along without the production of silver. Whenever the world is right for the production of silver it will come. The by-product production of silver continues all the time. This fact is of no consequence in so far as the matters discussed here are concerned.

Let me continue with this point, for my time is running on. You ask about the consumption of silver in the monetary system. Since the United States started to coin silver in 1793, 848,586,596 silver dollars have been coined; \$576,831,154 in subsidiary silver money and \$35,965,924 in trade dollars.

To-day out of 848,586,596 silver dollars coined there is only in existence 539,958,327. There is wear, tear, and disposal that makes for the consumption of silver. That has been stopped now for 40 years, and from 1793 to 1931 there has been a loss of silver from coinage of 308,628,269 in dollars and 268,063,510 in the subsidiary silver coins. You who talk about consuming power, consumptive power, and use those words must remember that in the use of silver as money there is an actual consumption. Where the silver goes the mint does not tell you. They do not know and I do not know. There has been a loss in one hundred and thirty-eight years' use of silver as money of over a half billion dollars. That one thing in the money structure, in the use of money and in the economic details that go to make up the way business is done, has been entirely stopped. A half billion dollars is a lot of metal that is consumed.

Mr. O'CONNOR. Has the gentleman parallel figures on gold?

Mr. EATON of Colorado. Yes.

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. EATON of Colorado. The gentleman from New York has asked about gold. The gold which has been coined amounts to four billion four hundred and forty-seven million five hundred and eighteen thousand four hundred and odd dollars, and the gold which is in the Treasury, according to this last circulation statement, is \$4,292,301,611. Only 155,000,000 in gold in 138 years has been lost in the coinage.

No one knows what has become of it, but I assert, without fear of any contradiction from anybody, that no one can

put his finger upon the amount of silver that is lost except to say that it is consumable just like other consumables in the whole economic system. That consumption has been absolutely stopped, and we in the United States are holding our hoard of silver and not touching it, and until we start we are not going to straighten the silver situation of India and China or the gold situation of France and the United States or the paper situation in which the United States and England are to-day.

I now yield to the gentleman from Texas.

Mr. DIES. The only way we can raise the price of silver is through bimetalism. We experimented with that in this country, and the result was that everybody wanted gold, nobody wanted silver, and it resulted in failure. Does the gentleman recommend the adoption of the principle of bimetalism again? And that is the only way you can raise the price of silver, in my judgment.

Mr. EATON of Colorado. It depends upon what you mean by "bimetalism." If you mean by that the use of both gold and silver in our currency, then we have got to go back to bimetalism and use silver in our currency.

Mr. DIES. We had it once at 15 to 1. That would not work, and then we tried 16 to 1. Then everybody wanted gold, and silver disappeared.

Mr. EATON of Colorado. The gentleman probably was not present when I explained what became of the silver. It was in 1886 that a bill was passed authorizing the use of paper dollars, paper currency, instead of silver, and from 1886 on paper dollars began to replace silver. That is the answer to your question.

Mr. KNUTSON. Will the gentleman yield?

Mr. EATON of Colorado. Yes.

Mr. KNUTSON. How much silver bullion available for minting is there in the country to-day?

Mr. EATON of Colorado. That is a question I can not answer accurately, but I can say this, that the production last year was about 200,000,000 ounces, most of which is available from the New York and London markets. In addition there are between 300,000,000 and 400,000,000 ounces of silver available from India. That is on the market and that is one of the principal causes for the low price of silver.

Mr. KNUTSON. There is almost as much silver available in China as there is in India.

Mr. EATON of Colorado. But the gentleman must remember that silver is a commodity that is consumable as well as a money metal and what becomes of it I do not know, but it does disappear. Every year there are produced between 200,000,000 and 250,000,000 ounces of silver. Some of that is used in the money systems and some of it in the arts. Since the World War the first thing that happened to silver, as far as consumption was concerned, was that the demand was so great prices got up to over \$1 in American money per ounce, and people were melting up the silver money in foreign countries, whereupon England and other foreign countries changed the fineness of their silver coin from 925 or 900 fine to 500 fine, thus giving them 80 per cent more currency. They remelted their silver and they put a part of that surplus on the market and that has all been consumed. The actual production of silver has been annually consumed as far as the actual surplus available is concerned.

Mr. KNUTSON. I agree with what the gentleman has said with reference to the need of more money with which to carry on commerce, not only here but with other countries, but I am wondering, unless we put some limitation on the coinage of silver, if we would not have a badly inflated condition in the course of time, because silver is being produced at the present time in enormous quantities and in greater quantities than at any other time in the history of the world.

Mr. ARENTZ. No; the gentleman is wrong about that.

Mr. KNUTSON. No; I am not wrong.

Mr. EATON of Colorado. The statement of the gentleman from Minnesota is inaccurate in regard to the present production of silver.

Mr. KNUTSON. Let me say that the potential production to-day is greater than it has ever been, and, of course, if it is potential it becomes actual.

Mr. EATON of Colorado. I believe the gentleman is confused between the existing surplus in the world to-day and the "potential production," to use his words. I have explained the situation in regard to the existing menace of the silver said to be ready for the market from India, due to the English orders to market approximately half a billion ounces. No matter what may be intended by the words "potential production," the actual production, according to the statistical review of the Department of Commerce of December 21, 1931, shows that the average monthly production of the six leading countries for 1928 was 18,500,000 ounces; for 1929, 19,000,000 ounces; for 1930, 19,300,000 ounces; and for 1931, 14,300,000 ounces.

The fact remains that until the price of silver is stabilized the production will remain at its low ebb until the menace of the present surplus is corrected, and the one correction which I accentuate to-day is use of silver dollars as an actual metal money in the United States instead of its paper substitute.

As soon as the Treasury begins to issue silver dollars in place of the present paper currency the movement of silver will commence. The \$848,586,596 which is the basis of our present supply of \$539,958,327 silver dollars has left a non-existence of \$308,628,269 in our actual supply. The similar amount in our subsidiary silver is \$268,063,510. This total is \$576,691,779. This half billion dollars has been abstracted from our available daily money circulation.

The monetary conditions to-day are different than they have ever been before. I have pointed out the silver situation. Our Government should discontinue the printing of paper dollars. It should reestablish silver money as an actual means of doing business instead of insisting upon the use of the substitute—paper. There is not enough money in the world to do the world's business. There is not enough money in the United States to do our own business. Abandonment of silver as actual money has materially affected the situation. The decrease in the quantity of silver during the past 138 years has also had its effect. This remedy is plain, and after it is put into operation the stabilization of the price of silver, the proper ratio or limitation of the coinage of silver to gold, and the other remedies will simplify themselves.

Mr. Chairman, the following is a summary of the legislation referred to, an analysis of certain figures furnished by the Director of the Mint in respect to coinage since 1793, and the current Circulation Statement of United States Money issued by the public-debt service of the United States Treasury Department.

When the monetary unit of the United States was established in 1786 it was a milled dollar of 375.64 grains of pure silver. But there was no mint and none was ever coined.

When the first monetary system of the United States was established by the act of April 2, 1792, the dollar of both gold and silver was made the monetary unit, the silver dollar having 371.25 grains of pure silver, and coinage of both gold and silver unlimited without a mint charge. The ratio in coinage was 1 to 15.

Both were legal tender.

The standard was actual metal, gold and silver—a double standard.

The act of June 28, 1834, changed the weight of gold in the dollar, thus changing the ratio in coinage between gold and silver to 1 to 16.002 plus. At that time the ratio in Europe was 1 to 15½.

Since 1837 the standard gold dollar has consisted of 25.8 grains of gold with a fineness of 0.900, which gives a fine weight of 23.22 grains, and this is the basis of all values to this date. The word "dollar" never varies, when applied to the piece of money—it is only the exchange value received therefor which varies with the economic changes—the purchasing power, we call it.

The act of February 12, 1873, provided for the trade dollar to contain 420 grains of pure silver. A mintage charge was fixed upon gold bullion converted into gold coin, but this charge was repealed by the act of January 14, 1875.

The double-metal standard was changed by this act of February 12, 1873, so that silver coins became legal tender to an amount not exceeding \$5 in any one payment.

The coining of the standard dollar containing 371.25 grains of pure silver was discontinued; the 420 grain trade dollar was authorized and those who took silver to the mints were allowed to have it made up into bars or trade dollars, but no deposit of silver for other coinage was permitted.

This is the demonetization of silver of 1873, after which various devices were used, first to coin silver dollars, second to issue paper for silver, and finally to declare a single gold standard in 1900.

In 1876 the trade dollar was discontinued as legal tender and in 1887 its coinage was discontinued.

By the act of February 28, 1878, the coinage of standard silver dollars was again authorized and all standard silver dollars were reestablished as legal tender "except where otherwise expressly stipulated in the contract."

This act authorized and directed the Secretary of the Treasury to purchase silver bullion and coin into silver dollars not less than \$2,000,000 nor more than \$4,000,000 worth per month.

By the act of July 14, 1890, the authorization was changed and the Secretary of the Treasury was directed to purchase monthly 4,500,000 ounces at the market price, but not to exceed \$1 for each 371.25 grains of pure silver, to be paid for by Treasury notes of the United States redeemable in coin and made legal tender to the same extent as provided by the act of February 28, 1878.

This act directed the coinage of 2,000,000 ounces of silver monthly until July 1, 1891, and thereafter coinage to be sufficient to provide for redemption of the Treasury notes issued under this act.

The purchasing clause of this act was repealed by the act of November 1, 1893.

The act of March 14, 1900, enacted:

The dollar consisting of 25.8 grains of gold nine-tenths fine shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

This act of 1900 reestablished the same gold dollar of the same weight and fineness as determined by the act of January 18, 1837, and placed a duty on the Secretary of the Treasury to maintain all forms of money issued or coined by the United States at a parity of value with this standard.

This was the single gold standard established in the year 1900, and thereafter in the Federal reserve act of December 23, 1913, the parity of all forms of money was reaffirmed and the Secretary of the Treasury was authorized to borrow or to buy gold, if necessary, in order to maintain the parity.

Under the Sherman Act of July 14, 1890, the Government purchased 168,674,682 fine ounces of silver at a cost of \$155,931,002, for which amount Treasury notes were issued.

The Act of March 14, 1900, provides for issuance and retirement of these Treasury notes so as to keep the issue equal to the silver purchased and now coined and held as bullion.

It was the act of February 28, 1878, reestablishing the coinage of standard silver dollars which also authorized the issuance of silver certificates therefor.

By the act of August 4, 1886, the dollar paper bill was first authorized, since which time the dollar silver certificates have largely taken the place in circulation of the silver dollars they represent.

COINAGE STATISTICS

From 1793 to 1931, \$4,447,518,477.50 have been minted into gold coins of which the recent circulation statement showed that only \$4,292,301,611 were still in existence. Therefore there is \$155,216,876.50 in gold coins unaccounted for in the current circulation statement.

From 1793 to 1931, 848,586,596 standard silver dollars have been minted of which the recent circulation statement showed that only \$539,958,327 were still in existence.

Coined silver dollars to the extent of \$308,628,269 are thus unaccounted for in the current circulation statement.

Trade dollars coined were \$35,965,924, all of which were recalled and disposed of, which increases the foregoing difference to \$344,594,193.

From 1793 to 1931, \$576,831,154.80 in subsidiary silver coins were minted, of which the recent circulation statement showed that \$308,767,644 were still in existence. This shows subsidiary silver unaccounted for to be \$268,063,510.80.

Therefore out of \$1,425,417,750.80 coined as silver dollars and as subsidiary silver coins, \$576,681,779.80 are unaccounted for and which have been lost in the past 138 years. Only \$848,725,971 remain in silver dollars and subsidiary silver coins, of which \$539,958,327 are in the standard silver dollars, and of this amount \$498,821,340 are held by the Treasury and \$41,136,987 are outside the Treasury. Of this amount \$7,871,017 are held by Federal reserve banks and agents, the balance, \$33,265,970, is in circulation.

This makes a 27 cents per capita circulation of silver dollars out of the \$44.54 circulation of money outside the Treasury of the United States, \$31.07 per capita total amount of money held in the Treasury, and a total current per capita of \$75.61 of all money held and issued by the United States.

Upon the date of the passage of the act of November 1, 1893, which repealed the silver-dollar coinage, the Treasury Department's statement showed \$419,332,550 in standard silver dollars in general stock, coined or issued, of which \$58,725,818 were in circulation, and \$360,606,732 were in the Treasury against which \$333,444,504 were represented by paper bills, of which only \$7,727,272 were in the Treasury and \$325,717,232 were in circulation on that date.

Notice that there were 17,588,831 more silver dollars in actual circulation in 1893 than to-day, at which time the population of the United States was 67,426,000 as compared with a population of 124,476,000 to-day as printed upon the recent circulation statement.

In 1893 there was \$76,977,002 in subsidiary silver, of which \$12,667,195 was in the Treasury upon November 1 of that year and \$64,309,807 was in circulation.

This shows almost 88 cents per capita circulation of silver dollars during the depression of 1893, at which time the total circulation per capita was only \$25.49, of all kinds of money held and issued by the United States.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Not to exceed \$1,432.55 of the unexpended balance of the appropriation of \$6,500, contained in the first deficiency act, fiscal year 1929, for preparation and editing of the laws is continued available during the fiscal year 1932.

Mr. BYRNS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BYRNS: On page 3, after line 14, insert a new paragraph, as follows:

"For folding speeches and pamphlets at a rate not exceeding \$1 per thousand, fiscal year 1932, \$8,000."

Mr. BYRNS. Mr. Chairman, this is the usual appropriation that is made for this purpose, but the estimate came in too late to be appropriated in the bill before it was reported by the committee.

The amendment was agreed to.

The Clerk read as follows:

ARCHITECT OF THE CAPITOL

House Office Building: For reconstruction and remodeling of the House Office Building, including all structural, mechanical alterations, and other changes, with such modifications as the House Office Building Commission may direct, \$760,000 to remain available until June 30, 1933, and to be expended by the Architect of the Capitol under the supervision of the House Office Building Commission; and the Architect of the Capitol is hereby authorized to enter into contracts in the open market, to make expenditures

for material, supplies, equipment, technical and reference books, and instruments, accessories, advertising, travel expenses and subsistence therefor, and, without regard to section 35 of the public buildings act, approved June 25, 1910, as amended, or the classification act of 1923, as amended, to employ all necessary personnel, including professional, architectural, and engineering, and other assistants. This appropriation shall be disbursed by the disbursing officer of the Interior Department.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph just read.

Mr. MONTAGUE. Does the gentleman intend to press his point of order? I intend to offer an amendment striking out the paragraph in its entirety if the gentleman is not going to make the point of order.

Mr. STAFFORD. Mr. Chairman, this item is the only item in the bill, so far as I have been able to study the bill, to which I have serious objection.

We are at the crossroads so far as increasing the burdens of taxation is concerned. The hearings show that when the new House Office Building is completed it will provide quarters for 250 Members, leaving 190 Members to find quarters in the present House Office Building.

I agree with the sentiment expressed by the distinguished gentleman from Virginia, Governor MONTAGUE, on yesterday, that there can be no justification for this very large appropriation of \$760,000 for reconstructing in these times the interior of the old House Office Building so that the quarters in that building will comport so far as possible with the quarters in the new House Office Building.

I am one of those who will very likely, because of new membership in the House, be assigned to offices in the old House Office Building. In my peripatetic service in this House I had occasion to have offices in the Maltby Building in company with cockroaches and mice and the like, way back when the increase in membership of the House did not provide for increased quarters in the new House Office Building. I was content with those old, obsolete quarters, and I say to the membership of this House, so keen am I to try to conserve money and prevent increased taxes, that for one, being a sincere believer in economy, I shall agreeably use the offices in the present House Office Building, even one office or two offices, without any remodeling.

If we at the start of our work here now are going to call the attention of the country to the fact that the Members of Congress are willing to spend \$760,000 to provide additional quarters so as to have quarters that comport with the quarters in the new building, we label ourselves right at the beginning of the session, fresh from the people at home, who believe in economy and want us to practice economy, as proponents of an extravagant program. There is no corporation, there is no private individual, in my opinion, who to-day, with the conditions confronting the Nation and with its growing expenditures, where the Budget can not be met for two years from now, that would think for a moment of remodeling such an office building. If, perchance, the 190 Members who will be privileged a year and a half from now to use the House Office Building should be privileged to use two offices, one adjoining the other, what other conveniences should the Members ask? Do they want the toilet facilities about which I protested in the new building? I think it was an outrageous provision, even for the new House Office Building, to have such facilities in connection with each individual office. Do they want us to go to this extent, as the hearings show, in order to prepare and remodel the present quarters?

Although I think the paragraph is subject to a point of order, as it is a matter that affects directly each and every Member of the House, I shall not press the point of order, but will leave it to the gentleman from Virginia, Governor MONTAGUE, to make a motion to strike out the paragraph. I therefore withdraw the reservation of the point of order.

Mr. KELLER rose.

Mr. STAFFORD. I yield to the gentleman from Illinois before withdrawing the reservation of the point of order.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for three minutes more in order to answer a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLER. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KELLER. I desire to ask this question, If it is good policy to stop work on the old building, is it not just as good policy to stop work now on the new building?

Mr. STAFFORD. Oh, no; no comparison at all. We have gone ahead with the appropriation of \$6,000,000 and erected almost to completion the new building, and to stop work now on that is not to be thought of. The practical proposition would be to finish that building, not to allow it to stand dangling in the air in an untenable state.

Mr. KELLER. They could put on a roof and put the windows in and save a lot of money.

Mr. STAFFORD. That is not a practical proposition.

Mr. KELLER. Is not that what you are talking about?

Mr. STAFFORD. No. Each Member could have one room and he could utilize two.

Mr. KELLER. It is not utilization of rooms, it is a question of policy, whether we are going to cut out all work, or make more work for the unemployed.

Mr. STAFFORD. Oh, yes; make more work for the District. We have authorized the spending of millions to make more work, much unnecessary and extravagant. The last Congress authorized a large expenditure of money to change the façade of the State, War, and Navy Building. I protested against it.

They propose to expend \$5,000,000 for an addition to the Post Office Building when there was no pressing need for additional space. If there is any spot in the country where there is no demand for work it is in the District of Columbia. The District of Columbia is supported by the clerks and their salaries have not been cut, and there is no curtailment in positions.

Mr. KELLER. It is true that Washington City is better off economically than any other city in the country. Is that not a fact?

Mr. STAFFORD. Surely.

Mr. KELLER. And is not that true because of the work that the Government has furnished?

Mr. STAFFORD. No; it is because of the clerks in the departments of the Government residing here. The industrial world and the business world are all clamoring for reduction in taxation, and here is the place to stop it. It is that class that gives life to trade and industry. The gentleman wants to pile up money to be expended for employment. Where will it all come from? From the taxpayers of the country. [Applause.]

Mr. MONTAGUE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MONTAGUE: Beginning on page 3, line 16, strike out the entire paragraph ending in line 9 on page 4.

Mr. MONTAGUE. Mr. Chairman, I imagine there are many here who are confused, as I was when I first entered this House, as to what is meant by a deficiency appropriation. I have always understood a deficiency to be something that is needed to complete something that was formerly authorized and uncompleted. It is a balance due, for example, on an enterprise for which the original appropriation is inadequate. I make that as a workaday illustration of the idea that I am trying to convey. The enterprise involved in this paragraph is not a deficiency. It is a new project. There is no work being done on it and no authorization to do any work on it. In no way is there any balance to be supplied to carry out the work on the present building. I think under the present conditions of this country, which equal in disaster and in distress and sorrow anything almost that has ever happened in America, that this is a very inopportune time for us to increase our comforts or conveniences. I think our constituents will not

understand our position, if we do, and I for one am willing to respect them and the views that they must justly entertain on this subject. It is said that we must spend money, and that that helps. Why, then, did this very able committee, for whose present chairman and former chairman I have the greatest respect, omit certain work in this city that would have secured a far larger employment of labor than this enterprise? Why do they decline to pull down the Post Office Building and the Southern Railroad Building, now occupied by the Farm Board? There are many other items that were pressed before them which they wisely omitted.

If you wish to make expenditures to give employment, why confine it so disproportionately to the District of Columbia?

Mr. KELLER. I agree to that.

Mr. MONTAGUE. Why not go to the States where we have made authorizations and appropriations and where the work has not been even commenced? In city after city and town after town where authorizations and appropriations for public buildings and river and harbor improvements have been made we find the work practically untouched, and I fear sometimes unnoticed. Why stress the expenditure for labor in the District of Columbia, as suggested by my friend from Wisconsin [Mr. STAFFORD], where the need for it is the least? If you wish to escape higher taxes you have to make economies in administration, and now is the time to do it. Now is not the time to venture upon new projects.

I would like very much to see two offices for every gentleman in this House. I think it can be accomplished without any large expenditure. I believe about half of the present offices in the House Office Building have connecting doors, and all of them, as I am advised by the Architect of the Capitol, already have doors within the walls and practically all you have to do is to take away the plaster and insert the doors. But I am not discussing that subject now. The chief element in this new construction will be the establishment of new lavatories and new toilets, which require an immense expenditure. Under the present conditions of the country I think we ourselves ought to make some sacrifices, and I am not willing to vote for an expenditure of \$760,000 to give us these additional facilities.

Mr. LANKFORD of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. LANKFORD of Virginia. I agree with what the gentleman is saying. If this is all cut out, does it not require some expense to even put the doors in?

Mr. MONTAGUE. Yes.

Mr. LANKFORD of Virginia. Does the gentleman know what that would be?

Mr. MONTAGUE. No. The architect tells me about \$60,000. I think it can be done for \$50,000. The architect first asked for \$1,000,000 to make these proposed changes but finally came down to \$760,000.

Mr. UNDERHILL. There is already an appropriation for the care and maintenance of the House Office Building and the Capitol which can be utilized for that purpose.

Mr. MONTAGUE. Yes. I do not know whether it would be economy to cut those doors now, but I am quite sure if we allowed two offices to each Member, as the building now provides, we could make use of them for a year or two, or until we can get out of the present situation that requires not only statesmanship but the common sense usually practiced by men in the conduct of their own business, and that it is not by spending money but by saving money to get out of debt. [Applause.]

Mr. COCHRAN of Missouri. Mr. Chairman and members of the committee, four years ago this Congress authorized and appropriated \$1,500,000 to purchase a site for the construction of a Federal building in St. Louis, where the Government is paying \$75,000 a year rent for offices in private buildings. A year later the money to construct the building was voted. The contract for the construction of the foundation of that building has not as yet been let. The architect

will be here in a few days with the plans. It has been discovered that approximately \$1,200,000 more will be needed to complete the 10-story building. The Treasury Department takes the position that it can not at this time recommend to the Congress the additional authorization for this \$1,200,000 so that the 10-story building may be completed, and, therefore, it proposes for the time being to ask for bids for the construction of a 5-story building, saying that in a few years the remaining five stories will be added.

It is predicted that if the building is not completed now—that is, the 10-story building—instead of costing \$1,200,000 to complete it, it will cost over \$2,000,000 to complete it. There are 9 other similar projects in the United States, and I have tried to induce the administration to take care of the 10 projects, even if they do not recommend a public buildings bill.

I do not see the necessity of rushing all this work in Washington. I voted against the appropriation of \$3,500,000 to tear down the magnificent State, War and Navy Building, and I shall do everything I can to stop any movement to destroy the present Post Office Building, and other buildings, until we have enough buildings in the city to care for the Government institutions, without paying rent.

Three large buildings—1 for the Department of Justice, 1 for the Post Office, and 1 to be known as the Archives Building—have just been started; over \$20,000,000 will no doubt be needed to complete them. Then, you have the new Supreme Court Building, costing over \$10,000,000 to be started February 1. Surely that is enough for Washington at the present time. The public-building program in Washington does not have to be completed in a year or two. The depression is not seriously affecting this city. Let some of this money go to the country, where in the large cities millions are out of employment.

Not one dollar of the emergency fund has up to this time been used to help those out of employment in my city—St. Louis—other than the work in the architect's office.

All that is needed to make the present House Office Building most comfortable for Members is to place a connecting door between not more than 75 offices. Do that and no one will complain. At some future date, when more money is available, further improvements can be made if necessary. I am opposed to spending \$760,000 to install unnecessary equipment at this time. Let us start to economize with our own appropriation. The chairman says he brings in the item for the House to make its own decision.

No one will be inconvenienced if this amendment is adopted. I agree with the gentleman from Virginia [Mr. MONTAGUE] that we should not spend any money remodeling the House Office Building—it is practically new, not old—until we have completed some of the other projects in this country, and I propose to vote to support his amendment. [Applause.]

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the amendment.

I believe that every school of economic thought in this country to-day is in agreement that one of the proper ways by which the Government can stimulate work is by building projects at this time. The mere fact that a project is not immediately necessary is the best argument to justify working on such project at this time. The gentleman from Virginia [Mr. MONTAGUE] frankly states that he would proceed with the completion of the new building, and the gentleman seems to overlook the fact that in the item of \$760,000 which he seeks to strike out, there is included an amount necessary to furnish the new building. Am I right?

Mr. MONTAGUE. No; no.

Mr. STAFFORD. No.

Mr. MONTAGUE. That is contained in another paragraph. The gentleman also misunderstood me, because I said nothing about the new building.

Mr. STAFFORD. An amount is included in that item of \$760,000 for furnishings for the new building. For instance, a very nice davenport, costing four or five hundred dollars.

Mr. LaGUARDIA. True; but the completion of one necessitates the furnishing of the other. The gentleman

from Virginia [Mr. MONTAGUE] states that the doors are already cut, and that the connections could be made for a less amount, and then general objection is raised to the plan of providing proper drainage and sanitary facilities. I submit that any work of this kind will stimulate employment, and that is the real purpose for it. Let me say to the gentleman from Missouri [Mr. COCHRAN] that it is no argument in favor of increased appropriations for a building in his city to cut down the appropriation in this paragraph.

As we go along with this building program, if we are going to take a selfish attitude and say, "I will vote for an appropriation in my city, but I am going to show that I am a great economist and cut down public expenditures by voting down appropriations in other places," we are not going to get anywhere in carrying out a necessary program of public works to meet the present emergency.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. LA GUARDIA. I yield.

Mr. COCHRAN of Missouri. New York has had its share of appropriations. Philadelphia, Chicago, and other cities have had their shares, but St. Louis has never received one cent of benefit from this public-building program.

Mr. LA GUARDIA. I am not opposing the gentleman's appropriation.

Mr. COCHRAN of Missouri. They say they have no money in the Treasury.

Mr. LA GUARDIA. That is up to us. It is not up to the Treasury, but we are not going to get anywhere if we take a short-sighted attitude and show off that we are going to economize for the business world. Where will the business world be if the working people of this country have no employment?

Mr. O'CONNOR. Will the gentleman yield?

Mr. LA GUARDIA. I can not yield at this time.

Mr. O'CONNOR. The gentleman yielded to the gentleman from Missouri.

Mr. LA GUARDIA. Yes; because I interrupted the gentleman from Missouri, and the gentleman from Missouri is always helpful in his interruptions.

Now, I believe the so-called business world has learned that the whole business structure depends upon the purchasing power of the working people of this country. There is no man on the floor of this House to-day, including the distinguished gentleman from Virginia, who naturally fits in surroundings of luxury and comfort, who would not welcome an opportunity of having an office where he can have some privacy and some comfort, the same as our colleagues at the other end of the Capitol. To stand here and save the country and help cut down the deficiency of \$1,200,000,000 or more that we are facing by cutting out \$760,000 to make the accommodations for all the Members of the House equal, I say is not the type of statesmanship that we are accustomed to witnessing from the distinguished gentleman from Virginia [Mr. MONTAGUE].

I trust we will vote down the amendment and keep this appropriation in, and when we come to the item on the State Department building I am going to see that that work is not stopped this time.

Mr. BYRNS. I thought the gentleman from New York said yesterday that he was going to close his eyes?

Mr. LA GUARDIA. Until it is changed.

Mr. GLOVER. Mr. Chairman, I rise in support of the amendment.

I like comfort as well as any man, but we are living to-day in an hour of distress in this country. I submit to you that if you mean to follow your President in economy as business men in this hour of distress, when we are facing a deficit of \$2,000,000,000, how can you afford to spend money for the comfort of a few men in this House. I dare say to you there are plenty of men in this House who would volunteer to remain in the old building without one cent expense rather than to go out and tax the people of this country more to get more money to give more comfort to us. I would like to see any man who, as a business man, facing

conditions which this Government is facing, would dare go out and make an expenditure of that kind of his own money when it is not going to bring back a penny of revenue.

We should face this question squarely. The President has asked for economy, and I am standing for the kind of economy that he is talking about and that you are not practicing. We can save several million dollars through this Congress if we will follow the leadership of men like the gentleman who has introduced this amendment [applause], and I stand ready to do it. I am with the President on the question of economy, because the people of this Nation are looking to us and demanding from us that we give them economy. How can you go out to the already burdened people and face them with increased taxation and look them in the face and say that you spent \$760,000 for our own comfort when we did not need it? The truth of the matter is that until conditions are relieved in this country this Congress ought to call a halt on this kind of legislation. I hoped the gentleman would insist on his point of order and the item would be ruled out because it has no place in an appropriation bill. It is a legislative matter. If the gentleman does not raise the point of order, or some one else, I think I shall raise it myself, because it ought not to be in this bill. Let us practice economy and commence it to-day.

Mr. GREEN. Mr. Chairman, when the bill was before the House authorizing an appropriation for an additional office building I could not reconcile my conscience to vote for it. I voted against the new House Office Building because I did not believe the expenditure was justified. I do not believe that 10 per cent of the Members of this House have a better office at home than they now have here. I pay rent on my office at home, and rather than to vote for this new building or to vote against the amendment of the gentleman from Virginia I would pay rent on my office here. In fact, if we are going to economize, how can we economize by voting to boost our own salaries and to boost our own comfort?

I am ready to vote, as soon as the committee reports, for a reduction in my own salary. I am ready to vote with the gentleman from Virginia for the elimination of this needless expenditure, not, my friends, to injure the building trade at all. Not by any means. On the other hand, I am willing to vote for a half billion dollars, in accordance with the bill I have offered, to build Federal buildings in every town in every congressional district where postal receipts are \$5,000 or above. Why should we continually vote for buildings in the District of Columbia when we can not get a \$25,000 post-office building for our own districts? We have offered you a solution, and I trust my Democratic colleagues will stand with me. If the gentleman from New York wants to stimulate trade and business throughout the country, let him support my bill which would give approximately \$500,000 to each congressional district for the erection of Federal buildings wherever they are necessary. My friends, that bill does not leave the authority in the hands of one or two autocratic bureaucrats to twist and squirm and quibble and deal out favors by giving certain cities Federal buildings. It is specific and exacting in its terms. Until such time as you join with me in eliminating unemployment throughout the entire country by building in all parts of our country, I shall not vote to accumulate luxuries for my colleagues to enjoy. Millions of people throughout the country are idle and hunting employment. People in my own district are using small store buildings for post-office buildings. I say they are entitled to Federal buildings, and I shall keep up the fight until they get them.

My friends, it is the height of inconsistency for us to continually vote millions and millions of dollars for the erection of magnificent buildings—yes, temples of stones and towers of bricks here in the Nation's Capital—when back in our poverty-stricken and depressed districts we can not get a Federal building costing even \$25,000.

I shall vote for the gentleman's amendment. I shall vote against other wild expenditures to give luxuries and comforts to highly paid employees of our Government, myself included. I am willing to make my own share of the sacrifice.

Ah, my friends, 75 cents to \$1.50 per day in my own State would hire thousands and thousands of day laborers to-day, not that I want them to be hired at that wage, because I wish that they could get \$10 a day. But they are walking the roads in my State and walking the roads in your State begging for employment at any price in order that they may not be forced to beg for the necessities of life.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. UNDERHILL. Will the gentleman yield?

Mr. GREEN. Yes; I will yield.

Mr. UNDERHILL. At what price does the gentleman value his services?

Mr. GREEN. I will say, my friends, that as long as other Members of this House get their present salary I shall receive mine, and will continue to donate to charity so far as I am financially able. I am willing to make such sacrifice as my colleagues may agree to share.

I do not know what office space I shall be given, if my people continue me here, but where my office is or where your office is does not enter into this question. It is a matter of the pocketbook of the American people and a matter of economy and of equity to our people back home that need and demand Federal buildings and Federal expenditures. It is in their interest that I would work.

Mr. O'CONNOR. Mr. Chairman, I rise in opposition to the amendment.

When we passed the appropriation for the new House Office Building it was known by all, I am quite sure, that the old House Office Building would be remodeled to furnish two offices for each Member. That the appropriation was not made then, I imagine, was due to the fact it was not opportune or possible at that time to make the alterations; but what I want to call the Members' attention to is this:

Our Government has been preaching in this crisis over the radio by Doctor Klein and in publications from our departments, and so forth, that the people of this country should continue to use their money. We suffer from two things in this country—frozen credit and timid purchasing power. People with money are not using it, they are hoarding it and the banks are not extending credit and the people are not buying.

Mr. McGUGIN. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. McGUGIN. Has Congress been timid with the spending power of the country?

Mr. O'CONNOR. Not in the last 10 or 12 years.

Mr. McGUGIN. Why have we not had prosperity, then?

Mr. O'CONNOR. The gentlemen sitting on that side have had control of Congress during the last 12 years. I have had nothing to do with it. [Laughter and applause.]

We have preached to our people, and it has been one theory of the situation we are in that people should continue to purchase. Why, in the Christmas holidays in New York City, for the first time in the recollection of most people, the stores did not have goods to sell.

The stores would not buy the goods. People went to the handkerchief counters and the glove counters on the last days and could not buy gloves or handkerchiefs, because the inventories were so low. This timidity is affecting the big buyer, the middleman, and the individual purchaser. If you will pry loose the frozen assets of this country, if by taxation or otherwise you will force the wealthy of this country to put their money to use, and on the other hand, if you will stimulate by propaganda, if necessary, the buying and the purchasing power of this country, you will do more to restore your so-called prosperity, and possibly real prosperity, than anything else, in my estimation.

Most of this money, I believe, will go for labor. I might call it demagoguery to talk about economizing on ourselves, but I believe that if we have a real insight into the economic situation, we shall not start at this point, because this money

will go for labor, and in this way we shall not continue to set an example of false economy which we criticize in others.

If our Government stopped all functions to-day they would be doing the worst thing in the history of this country. If they economize on public improvements they will only add to the distress in which we are now situated. [Applause.]

Let us be fair about it and let us be reasonable about it. Striking out this item of \$760,000 is not going to make an impression back home just because you say you are denying yourselves comforts. You should put the plumbers and steamfitters and plasterers to work, and if you can not get them in Washington, the Lord knows we will send you them by the hundreds and thousands from New York City, and they will be glad to walk down here to get a job.

Let us be sensible about it, and let us not be pretending about it. This appropriation ought to be made and the money ought to be put to use.

Mr. MONTAGUE. Will the gentleman permit me to ask him a question by reason of his innuendo imputing pretense to the supporters of this amendment? When the business man is in debt many hundreds of thousands of dollars, for example, as this Government is now in debt, many millions of dollars, does the gentleman think it is a wise thing to keep on increasing the indebtedness?

Mr. O'CONNOR. It is not only a wise thing, but it is a necessary thing, and in these times if a business man is in debt and has an established business which he has built up for 30 or 40 years and he can not get enough credit to continue himself over this period, it is a severe indictment of the banking institutions of this country.

Mr. MONTAGUE. I am not speaking of them.

Mr. O'CONNOR. He does not need to borrow when he is not in debt. It is when he is in debt he needs credit. Saving is not necessarily the best economy. Often spending is better economy than saving. This is the exact situation now. If prosperity is to be restored, our people who have the money must spend.

Mr. MONTAGUE. But when a man is in debt and can not borrow money, what is he going to do?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 25 minutes.

Mr. STAFFORD. Reserving the right to object, I wish to offer an amendment limiting the fees to be paid the architect. Will the gentleman give me two minutes on that?

Mr. BYRNS. I have no objection to the gentleman offering an amendment. Mr. Chairman, I ask unanimous consent that the time be extended to 30 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this paragraph and all amendments thereto be limited to 30 minutes. Is there objection?

Mr. OLIVER of Alabama. Mr. Chairman, I want to approve and read in support of the pending amendment the following excerpt from the speech of the gentleman from Tennessee, Mr. BYRNS, chairman of the committee, made only yesterday:

I have called these figures to your attention for the purpose of emphasizing the necessity upon the part not only of every member of the Committee on Appropriations, but of every Member of this House, of guarding the Treasury and cutting down the deficit by not loading onto the Treasury additional burdens and new expenditures and new obligations in this time of stress. [Applause.] I hope that every Member will realize that we must all make certain sacrifices with reference to expenditures by the Federal Government which we feel are needed in our own States.

There never was a time in the history of our Government when we had a peace-time deficit such as that which we are now facing. The deficit was over \$900,000,000 in the fiscal year just closed. The President tells us in his message that for the year ending June 30, 1932, the deficit will amount to \$2,120,000,000, and that for the year to end June 30, 1933, from present indications, the deficit will amount to \$1,400,000,000. The country is looking to you, it is looking to me, it is looking to every Member of Congress to exercise economy and to cut down expenses, and the country will, as it ought to do, hold you and me responsible if we fail by our votes to cut them down.

I think we all agree that in the interest of the credit of our country, in the interest of future generations, one of the most important, if not the most important, problem that now confronts Congress is the balancing of our Budget. That can be done by a reduction of expenditures, and, of course, by the passage of such additional laws as will be necessary to bring in more revenue.

When we think about these additional taxes we must consider the depression that exists throughout the country; the fact that every business at the present time is crippled; that the revenues of the Federal Government have been greatly decreased under the present law by the falling off of income; and that it is not fair to them, it is not fair to business, it is not just to the taxpayers for Congress to fall to meet this emergency and use the scalping knife upon these appropriations as they come to us.

The chairman very properly reported this item now in dispute to the House for determination, because his feeling was that the House should have the opportunity of passing on this question, since it primarily affected them. I assume he is not interested one way or the other as to what decision the House may reach. My own feeling is that the item should be stricken out and no appropriation made at this time for the reconditioning of the office building.

What are the facts? The Ways and Means Committee are busily engaged in preparing a bill to raise more taxes. They are studying how we can meet the large deficit which the chairman of the committee very accurately gives in his statement quoted above. Until this House can determine how we may effectively carry on the important functions of the Government we should not provide for obligations like this.

If the Ways and Means Committee can provide funds to meet not only present but future deficits, then consideration may properly be given to expenditures of this character. There is no question but in time, perhaps sooner than we now think, we may be able to justify this large expense.

Certainly no serious inconvenience will be felt by the temporary suspension of this work, since all Members who remain in the present office building will have two large rooms, with the same conveniences that all Members now enjoy. There are some old Members who, though seniority may entitle them to offices in the new building, will very likely remain in the old building.

I strongly feel that we should not at this time favor this large appropriation for work which, without serious inconvenience, can be postponed until the condition of the Treasury improves and money can be found therefor without the imposition of additional taxes.

I happen to be the chairman of a subcommittee of the Appropriations Committee, and I hope every Member of the House will feel that it is his duty to voice his individual views in reference to any appropriation carried in the bill our committee may report, because I believe that this kind of cooperation will enable us to carry on the important and necessary work of the Government by a substantial reduction in appropriations. [Applause.]

Mr. FREAR. Mr. Chairman, I did not intend to take any part in this discussion. It seems to me that the proposition is so simple that it ought to recommend its merits to every man, either for or against, and does not require lengthy discussion. One or two things have not been discussed by the committee and I want to present them briefly to you. This Government is running a billion dollars annually behind in its receipts. The proposed appropriation will not come from any money that we are going to draw on, because we have not got it. It must be raised by economies or receipts. How are you going to produce money for this \$760,000 for House Members? There are gentlemen present who propose that we take 10 per cent from the salary of men who have \$1,800 a year, and we are going to cut down their salaries so as to provide means with which to pay this \$760,000. That is one of the methods of raising necessary funds, and I ask those who propose to take the money from underpaid clerks to put themselves in their place and see whether they have any income outside, so that they do not have to take their own salaries for living expenses. It is worth careful consideration of the House.

One other subject has been discussed here by a gentleman whose judgment ordinarily I respect highly. He has said that we are living in the House Office Building under insani-

tary conditions. I have existed under those supposed insani-
sanitary conditions for almost 20 years and am feeling in comparatively good health now. I left better rooms in a great public building in the new capitol of my State than the average man has enjoyed when I came here—three rooms for my own use. I came here and have occupied one room. It was a little difficult at first, but I have been here for nearly 20 years and I find no great difficulty through insanitary conditions in the House Office Building or elsewhere. If we are going to set an example in economy to the people of this country and if we mean it and are not demagogic, we should strike out this \$760,000 appropriation. It does not make any serious difference that the Treasury Department has cut out a post-office building in our districts. We would like to have them, but I believe it was the right thing to do at the present time in the interest of national economy. I think it is a wrong argument to bring that we must govern ourselves by the interests we have back home. This \$760,000 is for a selfish interest which reaches every one of us in giving Members luxurious quarters; and we can not offer a better example to the country of economy to-day than to say that we are willing to abide by the general economy policy of the Government, not to cut clerks' salaries unless we have to do so, not to take advantage of those who are helpless, to shave it off their income on the side. As a matter of policy we will cut down our expenditures, as the President and everyone else does, so as to make the Budget balance, if it is possible to do so. Let us show a proper disposition toward economy at this time where we are selfishly concerned and say that we will strike this \$760,000 provision out of the bill for something purely for our own benefit.

Mr. TABER. Mr. Chairman, the thing I do not like about the position that I am going to take on this amendment is that I do not agree with the great chairman of the Committee on Appropriations; and I regard him as my staunch friend, a man whom I generally follow clear to the limit. I think he is and will be one of the greatest chairmen of the Committee on Appropriations that this Congress has ever seen. [Applause.] The thing that we want to bear in mind is that if we are going to restore prosperity and restore the purchasing power of the people, we must first restore confidence. There is only one way in which we can do that, and that is by first putting the United States Treasury on its feet and getting it in a position so that we do not have to go to the country with a \$2,000,000,000 bond issue at the end of the year. Are we going to ruin the credit of America? No country in the world ever worked out of a serious depression except by sound principles and by economy. That is just the situation that we are facing here to-day. Are we going to lead the way on our own expenditures for ourselves toward economy? I do not like to see wages cut, I do not like to see my own salary cut; but I can see it in the offing, I can see that it is coming, and I am going to vote for it, and if it is necessary I am going to propose it. I am one of those who if I should happen to be elected to Congress would be entitled to go over into the new building, but I am perfectly satisfied to wait until the money is there to pay for it. Let us use our own sound judgment and common sense and not run wild in spending money. I hope that this House will almost unanimously adopt the patriotic, sound amendment which has been offered by the gentleman from Virginia [Mr. MONTAGUE].

Mr. BYRNS. Mr. Chairman, I ask the attention of the committee while I make a statement with reference to this proposed appropriation and the amendment offered by my friend from Virginia. It is needless for me to say, of course, that I have no personal interest in the amendment, nor has the Committee on Appropriations. We felt the necessity of bringing this appropriation before the House because it is the business of the House and not of the committee. So far as I am personally concerned, I voted against the proposition to erect a new House Office Building; but I did not do it because I felt the Members were not entitled to better office facilities. I realized just what it meant to have two secretaries and two busy typewriters in one room going all the time, while a Member had to

sit at his desk in the same room doing his thinking and his studying and at the same time receive visitors. I voted against the new House Office Building because I felt it ought not to have been constructed on the location where it is now constructed, but on land already owned by the Government, and that the Government should not have paid nearly a million dollars, as I now recall, for the Congress Hall Hotel and the old Potomac Hotel; but Congress by an overwhelming vote purchased those sites and has erected the present building there.

The Architect of the Capitol told the committee that by the 1st of next January that building will be ready for occupancy if these appropriations are made, and that 251 Members of the House will be accommodated. Now, gentlemen, in all fairness, who is going to get those offices? Who is going to get the 251 offices that will be opened, with all the conveniences of which we read, on January 1? You know that if precedent is followed, it will be the 251 men who hold seniority in this House, and 191 Members of the House, whether they are elected next November or whether they sit in the House now, are going to be deprived of conveniences which are given to the 251 Members in the new House Office Building. That is the plain proposition before you. To me it amounts to nothing if the House wishes to cut out this appropriation, but as one member of the Committee on Appropriations, and speaking for the Committee on Appropriations, we were not willing to refuse to report this appropriation, and two years from now have 191 Members of this House complaining because the Committee on Appropriations had denied to them the same facilities and the same advantages that were given to 251 of its senior Members. That is the whole proposition in a nutshell.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. The Committee on Appropriations is not a legislative committee. It simply provides the money to carry out the will of the House after it has spoken legislatively. This was a project that was embarked upon by our Republican friends on the other side of the aisle. In the Seventieth Congress, when they passed House bill 12897, which was approved by a Republican President on January 10, 1929, they authorized an appropriation of \$900,000 to acquire the grounds and an appropriation of \$7,500,000 to construct a new House Office Building. The extravagance in it should be laid to the Republican administration. [Laughter.]

Mr. BYRNS. My recollection is that there were very few votes against it on either side of the aisle. [Applause.] I am not speaking of this, ladies and gentlemen, in a partisan way or with reference to either side of the House. It applies to every Member alike.

Now, what will happen? The Architect of the Capitol says that upon the 1st of next January he will have this new House Office Building open, and 251 of you, who are fortunate enough to get a suite of offices there, will be taken care of properly and will have a private office for the transaction of your business. The architect says that in order to provide somewhat similar facilities in the old House Office Building, it will be necessary to have this appropriation in this bill. In other words, he says that he wishes to be in a position to draw his plans, to call for bids, to have the material properly fabricated, and every other thing done that is necessary in order to begin work on March 4, 1933, so as to have it ready in December, 1933, when the House reassembles.

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. DYER]?

There was no objection.

Mr. DYER. Will the gentleman yield for a question?

Mr. BYRNS. I yield.

Mr. DYER. As I understand this amendment, it is not for the purpose of permanently refusing to remodel the

building so that it will conform in many respects to the other as to space and convenience, but is for the temporary purpose of relieving the country of this rather large expense while conditions are so bad with the Treasury of the United States.

Mr. BYRNS. I think that is the position taken by those who favor this amendment, and properly so; but let me call the attention of the gentleman to this fact—and I am simply making this statement because, as I said, it is a matter which appeals to every Member of the House, as much to one as to the other—the Architect of the Capitol says that if you do not give him this appropriation in this bill he will be unable to make a promise to the Congress that this work will be done during the long recess between March, 1933, and December, 1933, and, of course, if he can not do the work in that time, he will necessarily have to postpone it for two years. Now, that is the whole proposition. If the House wishes to adopt this amendment, cut out this appropriation, and take a chance of postponing these conveniences and these facilities and advantages to 191 of its membership for a period of two years, that is its privilege. Certainly neither I nor the Committee on Appropriations nor anybody else is going to find fault or have any reason to find fault.

Mr. MAPES. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MAPES. I was not present when the debate on this amendment first began. I am not sure that I understand the situation clearly, but, supplementing the question of the gentleman from Missouri [Mr. DYER], I would like to ask the gentleman from Tennessee this question: If this item is stricken out of this bill, as I understand it, the 191 Members to whom the gentleman has referred will still be allowed two offices in the present building, but they will not have certain conveniences which will be in the new building but which are not now in the present office building, and which are not therefore now enjoyed by the present occupants of the office building as it exists to-day. Is that correct?

Mr. BYRNS. That is true.

Mr. MAPES. But they will have two offices or rooms with the same conveniences that the Members now enjoy in the present building?

Mr. BYRNS. They will have two offices, I assume, that will be at their disposal; but, of course, there will be no connecting doors between most of them, and one will have to go out into the corridor in order to reach his private office.

Mr. MAPES. I notice there is a door between my office and the adjoining office.

Mr. BYRNS. That is true as to some of the offices, but I think the gentleman will find that that applies to only a very few of them. Most of the offices are entirely separate.

Mr. MONTAGUE. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MONTAGUE. I respectfully submit that the 191 Members can have offices with connecting rooms as they are now. The gentleman is mistaken in thinking there are so small a number that have connecting doors.

Mr. BYRNS. I have not counted them.

Mr. MONTAGUE. I have been counting them in the last few days, and I was amazed to find there were so many with connecting doors. I did not know there was a door in my room, but I moved the bookcase and I found there was one there.

Mr. BYRNS. I should be surprised if there are 191 offices that are connected by doors. I do not contradict the gentleman, however.

Mr. BACON. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BACON. It surely will not take \$760,000 to put in connecting doors?

Mr. BYRNS. Not by any means. This \$760,000 is to do the whole job.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman.

Mr. BANKHEAD. It is apparent that there is considerable sentiment against this entire appropriation. I have been furnished with information that a very much smaller appropriation, say some \$60,000, could be utilized by the architect for the purpose of providing connecting doors between the present offices and other immediate necessary repairs. If the amendment offered by the gentleman from Virginia should be voted down, I assume an amendment will be offered to substitute a smaller amount for the purpose of providing connecting doors and other immediate necessary repairs.

Mr. BYRNS. If I could secure information from the architect as to how much was needed, I should have no objection to offering it. Of course, the gentleman can offer such an amendment himself and take the responsibility for it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. BOYLAN) there were—ayes 75, noes 86.

So the amendment was rejected.

Mr. OLIVER of Alabama. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: Page 4, line 9, after the word "Department," insert:

"Provided, That of this appropriation there shall be expended only such sum as may be necessary to install connecting doors between the office suites of such building."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. O'CONNOR) there were—ayes 70, noes 87.

So the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 4, line 9, after the word "Department," insert:

"Provided, That not more than 3 per cent shall be paid for commissions to any architect in connection with the reconstruction and remodeling of this building."

Mr. STAFFORD. Mr. Chairman, the hearings disclose that the regular rate of 6 per cent is to be paid a private architect for this work of merely making alterations in this building. I think that \$45,000 for merely supervising the plumbing and changing partitions is an outrageous fee to be paid to any architect. The prevailing rate is 6 per cent, but that 6 per cent is predicated upon the idea of the responsibility connected with the preparation of structural plans and the heavy responsibility connected with the new construction. Personally, I would restrict the amount to \$10,000 for supervision.

As I have said, the hearings disclose that it is purposed to pay an architect for supervising changes in partitions, installing toilets, and like features there 6 per cent. That would aggregate \$45,600. The 6 per cent rate is predicated upon the responsibility of preparing plans and the like. My amendment proposes to pay a commission of 3 per cent. I think \$10,000 would be adequate for the work of supervision. Why should we pay \$45,600 to some firm of architects here in Washington which is already getting fat on Government work? This is not new construction, but is merely the alteration of the plumbing, the tearing out of partitions, and so on. In my opinion, a superintendent could adequately protect the interests of the Government.

The Supervising Architect's Office states that they have no persons in their employment who could do this work. Therefore it is necessary to employ outside architects, but I think it is reasonable to restrict the commission to 3 per cent. That would give this firm of architects at least \$22,300 for less than a year's work.

Mr. HARE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. HARE. I want to ask the gentleman this question: Whether or not the Government does not have architects who could supervise this work and thus remove the necessity of providing any commission at all?

Mr. STAFFORD. The hearings disclose the fact that the Architect of the Capitol stated that they have no architect to do that work, otherwise I would provide that there should be no outside architect employed at all. However, I do not wish to hamstring this work if it is to go ahead.

Mr. BYRNS. Mr. Chairman, all I have to say with reference to this amendment is this: These are the commercial rates. It may be, as the gentleman from Wisconsin says, that those rates are too high, but these are the rates that are charged by architects throughout the country who draw plans and specifications and supervise the work. The Supervising Architect said it was necessary to have such an architect with reference to this building, and you and I know that with an old building like this it is frequently and usually more difficult to go into it and tear up floors, rearrange plumbing, pull down partitions, and things of that kind, than it is to erect a new building.

The adoption of this amendment may or may not defeat this work. I do not know anything about that, but I want to make this point, that this estimate has been approved by the House Building Commission, and every single contract that will be made with the architect or with anyone else in connection with the remodeling of this building will have to be approved in the first place by the House Building Commission, which consists of the Speaker of the House, the gentleman from North Carolina [Mr. POW], and the gentleman from New Jersey [Mr. BACHARACH], and so far as I am concerned I am perfectly willing to leave the matter to those gentlemen, knowing that they will see to it that none of the money of the people is wastefully expended.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. Is it not a fact that the hearings disclose that the Supervising Architect testified as to the firm of architects he would employ and the rate of commission he would pay—6 per cent?

Mr. BYRNS. I think that is true. I am not sure about that, but, of course, when he makes the contract with him, it will have to be approved, as I have just stated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken; and on a division (demanded by Mr. STAFFORD), there were—ayes 38, noes 76.

So the amendment was rejected.

Mr. FREAR. Mr. Chairman, I move to strike out, on page 3, line 20, "\$760,000" and insert "\$60,000."

The CHAIRMAN. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FREAR: Page 3, line 20, strike out "\$760,000" and insert in lieu thereof "\$60,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

The question was taken; and on a division (demanded by Mr. BYRNS), there were—ayes 51, noes 83.

Mr. FREAR. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

New House Office Building: To enable the Architect of the Capitol to provide furnishings and equipment for the New House Office Building within the authorized limit of cost for site and construction as provided in act approved January 10, 1929 (45 Stat. 1071), \$400,000 to remain available until June 30, 1933; and the Architect of the Capitol is hereby authorized to enter into contracts in the open market, to make expenditures for material, supplies, equipment, technical and reference books, and instruments, accessories, advertising, travel expenses and subsistence therefor, and, without regard to section 35 of the public buildings act approved June 25, 1910, as amended, or the classification act of 1923, as amended, to employ all necessary personnel, including

professional, architectural, and engineering, and other assistants. This appropriation shall be disbursed by the disbursing officer of the Interior Department.

Mr. BLANTON. Mr. Chairman, on page 4, line 10, I move to strike out the words "New House Office Building."

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 4, line 10, strike out the words "New House Office Building."

Mr. BLANTON. Mr. Chairman, I supported the amendment offered by our distinguished colleague, Governor MONTAGUE, of Virginia, to strike out the entire \$760,000 from the bill, as it is my firm belief that this expensive remodeling of the present House Office Building just now during this unprecedented depression is both unwise and unnecessary. But we failed to strike it out by just a few votes. It is my belief that the present building is sufficient for our needs.

I was one of those who did not believe that a necessity existed for the construction of the new House Office Building, now partially completed. I can get along well enough with my present quarters. And thus believing I voted against H. R. 12897 in the Seventieth Congress, that embarked us on this extravagant program and authorized to be appropriated the sum of \$900,000 to acquire the land upon which the new building is now being built, and authorized the additional appropriation of \$7,500,000 to construct this new House Office Building.

It was a Republican Congress, with both the Senate and the House of Representatives Republican, that passed that measure, and it was approved by the present Republican President on January 10, 1929, and then became Public Law No. 648 of the Seventieth Congress. It was this Republican measure that now makes necessary this appropriation of \$760,000 to remodel the old House Office Building, and the appropriation in this bill of an additional \$400,000 to furnish the new House Office Building.

I voted also just now for the amendment offered by the gentleman from Alabama [Mr. OLIVER], and likewise for the amendments offered by the two gentlemen from Wisconsin [Mr. FREAR and Mr. STAFFORD]. But they likewise all lost by just a few votes.

The Appropriations Committee is not a legislative committee. It can not authorize new projects. That is done by legislative committees. Legislative committees authorize appropriations. When a legislative committee embarks the country on a certain project, wise or unwise, all on earth that the Committee on Appropriations can do is to provide the money which the House has authorized. So it is not responsible for this project. The Republican administration is responsible for it.

Mr. MAPES. Will the gentleman yield?

Mr. BLANTON. I will in a moment.

This most expensive, most extravagant, very unnecessary project was embarked upon through a piece of legislation that was finally passed here in January, 1929, under the auspices of the present Republican administration. It is part of the unprecedented extravagance with which this country has been afflicted for the past 10 years, a continued extravagance. The Republicans had a majority of 100 Members in this House in the last Congress. They ran wild in spending public money. It is an extravagance that permeates the White House and every single department of government. It has been so that the departments have been padding their estimates. They know they could not otherwise get all they want from Congress, and they come in and ask for much more than they want or need, hoping they will get all they want after Congress pares and makes reductions here and there.

You can take the expenses of the White House, and they have been increasing all the time, and I am reminded of what no less a Member of this House than our distinguished Republican friend from Indiana [Mr. WOOL] once said, that the present occupant has been the most extravagant piece of furniture with which this country has ever been afflicted.

Has this leader of the Republican forces ever retracted that charge?

Mr. MAPES. Now, will the gentleman yield?

Mr. BLANTON. In a minute.

Under his administration—the Harding-Coolidge-Hoover triumvirate—we have embarked upon this policy of building these million-dollar embassies abroad, and if you have noticed the newspaper reports during the present year you have seen accounts of American extravagances abroad that have not helped the feelings of starving Americans here at home.

On one day last August the Associated Press sent two news items from Washington to the press of the United States, both of which appeared in the Dallas News of August 2, 1931. One of these Associated Press articles was headed "Society Group Selects Embassy's Furnishings," and it went on to state that a group of society women who formerly lived in Japan was selecting the furnishings for the new million-dollar American Embassy in Tokyo. It said that the walnut and mahogany furniture shipped from the United States was of Georgian design. It further said that rugs of taupe and hangings of silver greens and blues had been selected, and that the embassy walls were made the color of ivory. That was interesting news to starving American men, women, and little children.

The other Associated Press article appearing that day was headed "Embassy Dining Room Is Black, Silver, and Red." It went on to say that a color scheme of black, silver, and red was being used in the dining room of the Chilean Embassy; that black candles are used on the table along with rare old hand-wrought Peruvian and Chilean silver service, and that lacquer bowls in black and red added a contrasting color note.

That, too, was interesting news to 7,000,000 heads of families in America who have worn out the soles of their shoes hunting for jobs that are not to be found and who are more concerned about getting food of any kind on their table for starving families than in black, silver, and red color schemes for embassy tables.

If Andrew Jackson could come forth from that unpretentious tomb in the garden at the Hermitage near Nashville, Tenn., what would he say to all this mimicking of royalty? We need again to learn the lesson he taught us. When Commodore Elliott offered to General Jackson the kingly sarcophagus that he had brought home in the *Constitution* from Palestine, which had contained the remains of the Roman Emperor Alexander Severus, Andrew Jackson declined it, stating that his republican feelings and principles forbade it. He said that the simplicity of our system of government did not permit it. He said that such things should bear evidence of the economy and simplicity of our republican institutions and of the plainness of our republican citizens, who are the sovereigns of our glorious Union, and he said that it is their virtue to perpetuate it. He said that true virtue can not exist where pomp and parade are the governing passions. He said that it can only dwell with the people—the great laboring and producing classes—that form the bone and sinew of our confederacy.

That is the lesson taught us by this great American. That was the lesson taught us by Abraham Lincoln. But we are departing from such teachings. We are continually mimicking royalty. We are establishing million-dollar embassies in Tokio. We are worshiping color schemes of black, silver, and red for embassy dining-room tables. We are beginning to insist that there should be rosewood or mahogany or some other kind of extravagant furniture that must be put in them, and it is a scandal to the Nation. It has been only during this past year that our country has embarked upon the policy of furnishing our embassies with \$100,000 as an entertainment fund. When has that amount ever been furnished before?

This is the first year that this has ever been done, and a larger fund of \$145,000 for the next fiscal year has already been authorized for such entertainment abroad. Do you know what this entertainment fund means—wine, women, and song entertainments in the embassies abroad [laughter], and this during this time of depression.

Mr. MAPES. Will the gentleman now yield?

Mr. BLANTON. In a moment. I want to talk to some of the gentleman's colleagues. They are responsible for this extravagance. They can sit back now, knowing that we now are responsible for what goes on in the House, but they are the ones who embarked us upon the program.

Now I yield to the gentleman.

Mr. MAPES. In order to keep the record straight, is the gentleman quite correct? First, I may say to the gentleman that I voted against the proposition to build a new building. Is this not true that while the former Congress authorized the new building, it had nothing to do with this particular item which relates to the present building, and it is the House that the gentleman's party has control of that is proposing to spend this \$760,000 on the old building in addition to the other appropriation?

Mr. BLANTON. I catch the gentleman's point and I want to reply to it.

The gentleman from Michigan is too fair a Representative to even intimate that the senior Members of the House would prepare for themselves new commodious offices and leave out the new Members in the House who have no such seniority. This is a part of the building scheme.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN (Mr. SHALLENBERGER). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. I want to answer the statement of the gentleman from Michigan [Mr. MAPES]. It was his side of the House, with a Republican majority of 100, that embarked upon this proposition. As I have mentioned before, H. R. 12897 was passed in the Seventieth Congress, authorizing an appropriation of \$900,000 to acquire the necessary ground and to appropriate an additional \$7,500,000 to construct the new House Office Building. I then opposed it and voted against it. But it was passed and approved by President Hoover on January 10, 1929, and became the law. It was this measure that now calls for this \$760,000 appropriation to remodel the old House Office Building, and for the \$400,000 to furnish the new one. It is all one building scheme. I was against it because I knew that the new Members without seniority would want the old building made new, and we all knew that the new building had to be furnished.

Why, it was scandalous when the Government paid the prices we had to pay for the land, and for it to tear down such buildings as the Congress Hall Hotel, the Coast and Geodetic Survey Building, and Public Health Service Building. It was an economic shame for us to allow such sums of money to be paid for that property, then tear those substantial buildings down and build a new \$7,500,000 House Office Building. It was the Republican Party, headed by the present Republican President, with a hundred Republican majority in the House, that did it.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. Not yet. I voted against it all the time; I have been against it ever since. I do not think there is one of us who can consistently espouse the present policy of economy and at the same time approve this expenditure of public money. I am sorry that it was ever authorized. But it having been authorized, it forced the Appropriations Committee to obey the mandate of the House and put the items in the bill, and then let the House pass on it as only the House now has the right to keep it in or vote it out. I wish that every citizen of the United States could come to Washington and go through the oversized half-empty, new Department of Commerce Building which President Hoover had much to do with causing to be built. The employees need a guide to help them find their offices and to lead them back to the outside when 4.30 p. m. arrives. There is wanton extravagance in, around, and about it. The fact that it furnished jobs and high wages to a few laborers in Washington means nothing to the 7,000,000 jobless Americans whose families are without food. The people of Washington have

learned of a depression and hard times only through the newspapers. The manager of a leading department store told me this morning that his business had fallen off to very little extent.

We must stop this extravagance. We must make personal sacrifices. We must before spending public money ask ourselves the question, "Is this necessary?" We must ask, "Can we get along without it?" Privately, in our own affairs, we ask such questions. Although we have already embarked on this new building and it is half finished, we have the right to stop further extravagances in furnishings. I am going to vote to stop same. I voted for all the amendments and tried to stop it. [Applause.]

Mr. UNDERHILL. Mr. Chairman, I resent the statements that are made on the floor of the House, whether they refer to Congress or Members of Congress or whether they refer to the employees of the embassies representing the United States abroad, when they have no foundation in fact, but are simply sensational in character, wise cracks, which ought not to be indulged in on the floor of the House. [Applause.]

The statement that the gentleman from Texas made, I doubt if any man in the House considered that he made it authoritatively. I doubt if any Member in the House thinks he has had any knowledge whatever of the foreign embassies of the country. I have no doubt they were made principally for home consumption, but nevertheless it goes into the press, goes all over the country, that the money that Congress appropriates for a legitimate purpose is spent for wild parties. I think it is time that these unauthorized, unsubstantiated, these wild statements—I was going to add another adjective, but I will not—should cease, even by the gentleman from Texas.

Mr. BLANTON. What is this \$100,000 spent for?

Mr. UNDERHILL. It is not, as the gentleman says, spent for wine, women, and song.

Mr. BLANTON. Will the gentleman tell us what it is spent for?

Mr. UNDERHILL. I have not had any experience at the embassies.

Mr. BLANTON. What is the entertainment furnished?

Mr. UNDERHILL. The entertainment is legitimate entertainment.

Mr. BLANTON. Is it for pansy blossoms? What kind of flowers are furnished by this entertainment?

Mr. UNDERHILL. The gentleman from Texas is all wrong when he makes statements that he knows that he can not substantiate and tries to cover them up by these wise cracks.

Mr. BLANTON. Will the gentleman tell us what the entertainment consists of?

Mr. UNDERHILL. I never went out of the borders of the United States.

Mr. BLANTON. Then the gentleman does not know what he is talking about. [Laughter.]

Mr. UNDERHILL. I know more about it than does the Member from Texas. Our ambassadors and ministers to England, France, Germany, Italy, Czechoslovakia, Poland, China, Japan, and other great nations are able gentlemen and a credit to the United States. If the Member from Texas wants to bring discredit on his colleagues and on this Government he will continue to slander its representatives.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. LAGUARDIA. Mr. Chairman, I am perhaps the last man on this side of the aisle to stand up and defend either the party or the administration, but the gentleman from Texas [Mr. BLANTON] is too good a legislator and too consistent to take the floor and criticize the extravagance of the Government in the last 10 years in the face of what took place on the floor of this House within the last 30 minutes. One gentleman rose and said he wanted to appropriate \$500,000 for a new building for every congressional district. Another gentleman criticized the administration for cutting down a 10-story Federal building to a 5-story structure. Criticism is constantly directed against the administration

because it has been too slow in putting in effect the building program authorized and appropriated for by this Congress. More buildings, more post offices, more appropriations are repeatedly called for by gentlemen from the other side. You are perfectly within your rights, gentlemen, to criticize if you believe the administration has been slow in putting into progress the various building programs throughout the country for which we have appropriated money, but at the same time you can not take the floor and criticize the administration upon the ground that it is extravagant.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. In a moment. As to the question of the entertainment fund, criticized by the gentleman from Texas [Mr. BLANTON], we have heard in this country for the last 25 or 30 years criticism against the so-called dollar diplomacy. It was known that it was impossible in years gone by for any man to enter into the Diplomatic or Consular Service and work his way up unless he had an independent fortune.

The man without an independent fortune was simply foreclosed from accepting an appointment as ambassador to any of the principal capitals of the world. In order to put an end to that, in order to abolish forever the so-called dollar diplomacy, Congress passed what is known as the Foreign Service law, creating a career in the Foreign Service, providing suitable pay, providing pensions, and later on we provided this entertainment fund. All there is to this entertainment fund is exactly what takes place in the Capital here in Washington and what takes place all over the country in the social system under which we live.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. In a moment. A man with \$17,500 a year, which is the limit of our pay for ambassador, having to pay rent where we do not own an embassy or legation building, is limited. He has to pay out of his own pocket all of the necessary official entertainment and his own house rent. This entertainment is not limited merely to entertaining foreign officials but very often he must entertain officials of this country. If he happens to be at a port, the entire fleet may call there, and if the officials of the foreign government entertain the naval officers as they always do, he must, of course, reciprocate. I had some experience in the Foreign Service. I served for five years in the Consular Service of this country. I would not want any young man to go through what I went through. I was getting the large sum of \$800 a year, to represent the great United States at the port of Fiume, Hungary, and because of the small amount of money I received I was compelled to do typewriting for the British consul to pay my rent. It was a very humiliating situation. If we have provided for a Foreign Service so that a young man may enter the service and make sure of a career in that service and may be provided with a suitable office and with help, and if we so provide that it is not necessary to have an independent fortune in order to make one's way in that service, then I think the gentleman from Texas ought to be the last man on the floor of this House to criticize that system. [Applause.]

Mr. BLANTON. Mr. Chairman, now will the gentleman yield?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLANTON. I ask unanimous consent that his time be extended for one minute in order that I may ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Certainly.

Mr. BLANTON. The gentleman admits that there is no restriction placed upon the word "entertainment" in spending that \$100,000.

Mr. LaGUARDIA. I do not know that "wine, women, and song" is necessarily entertainment.

Mr. BLANTON. The gentleman surely would not cut out wine, if they wanted it, would he?

Mr. LaGUARDIA. What would the gentleman cut out of the three? [Laughter.]

Mr. BLANTON. I would not spend any at all out of the Treasury for public entertainment abroad.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. McGUGIN. Mr. Chairman, I offer the amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McGUGIN: Page 4, line 14, strike out the figures "\$400,000" and insert in lieu thereof "\$200,000."

Mr. McGUGIN. Mr. Chairman, ladies and gentlemen of the committee, the purpose of offering this amendment is to reduce the figures \$400,000 to \$200,000, and I do it because I still believe that before this bill is passed this House is never going to vote to spend \$760,000 at this time for repairs to the old office building, considering the present conditions in the country. When the time comes that a motion to recommit is offered and there is a roll call, I do not believe for a moment that a majority of the Members of the House are going on record before the people of the country saying that they are willing to spend \$760,000 in remodeling the old House Office Building. I have taken occasion to figure out the cost per Member. It amounts to \$1,746 per room, or \$3,492 for each Member with two rooms. Spending at this time \$3,492 per Member to insert a door and make some other improvements over here in the office building is out of all sense of reason and not in keeping with the needs of this country at this time. When there are millions of people that are houseless and many who are hungry, when the agricultural interests of the country are 43 per cent below their pre-war level, then Congress has no right to spend \$3,400 per Member for his official luxury. I am one of the junior Members that will have to stay in the old office building, and I would rather stay in one room than place myself in the position where I vote \$3,492 from the taxpayers' money in order to make my office more palatial. The statement was made that we had no business to make the new office building palatial and leave the old one in its present state. I figure that this \$400,000 is primarily to make the new office building more palatial.

I think it should be cut to \$200,000; I think that that will be ample and will be in keeping with what I think will be the situation in connection with the old House Office Building before we are through with this appropriation. I do not believe this House will ultimately vote an appropriation of \$760,000 for the office luxury of the Members. I thank you.

Mr. BYRNS. Of course, it is easy to offer amendments reducing appropriations, but I submit to the gentleman from Kansas [Mr. McGUGIN] and to the membership of the House generally that if you expect that new building to be furnished and equipped, you will have to make a larger appropriation than the amount which the gentleman has named in his amendment. The Architect of the Capitol stated to the committee that it was necessary to have \$550,000 for that purpose. He gave a list of the furniture that was to be put into those offices, and if you will examine the hearings, you will find that he has not provided any extra furniture, over and above that which will be needed by the Members of Congress and their clerks.

There are 251 suites in that building, with offices for Members consisting of a private office and a front office. There are 12 committee rooms, 5 of them large and 7 of them not so large. Your committee, after thorough consideration—and I confess without knowing exactly whether or not the amount would be absolutely sufficient to provide all the furniture named—decided to cut it to \$400,000, a reduction of \$150,000.

Mr. McGUGIN. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. McGUGIN. The committee did cut out \$160,000.

Mr. BYRNS. One hundred and fifty thousand dollars.

Mr. McGUGIN. Upon what theory could the committee do that if they can not cut it further?

Mr. BYRNS. We cut it on the theory that we thought the cost of supplies was diminishing, and the Architect of the Capitol could well cut out some items he had suggested with reference to a gymnasium and a moving-picture apparatus and other items which were included in that appropriation, and we felt that without the possibility of securing inferior furniture he could make a better contract with reference to the amount of furniture actually needed by the Members.

Mr. McGUGIN. Will the gentleman yield further, please?

Mr. BYRNS. I yield.

Mr. McGUGIN. For the information of the committee, can the gentleman advise us about what the per unit cost is for each office which it is intended to expend for equipping this office?

Mr. BYRNS. The original estimate provided for \$1,780 per suite; five committee rooms, at \$3,750 each; seven committee rooms, at \$2,100 each; and, as I have stated, \$10,000 for a gymnasium, \$5,000 for a moving-picture apparatus, which two items have been cut out; \$10,000 for an assembly room which would be used for a caucus room and which the committee felt ought to be so utilized, but it felt that it was not necessary to buy 400 chairs for that room at a cost of \$20 each, and therefore cut out that item.

Mr. McGUGIN. Will the gentleman yield further?

Mr. BYRNS. I yield to the gentleman.

Mr. McGUGIN. What is it intended to do with the furniture which the Members have in the old House Office Building?

Mr. BYRNS. That is to be utilized by the membership that will remain in that building.

Mr. McGUGIN. One Congressman does not need two desks. We have enough furniture over there now for 435 Congressmen, have we not?

Mr. BYRNS. I understand the purpose of the other appropriation was to furnish the membership with two rooms, and if the furniture is taken from that building and put into the new building, I submit you will have to make an appropriation to provide furniture for the Members who remain in the old House Office Building.

Mr. SCHAFER. Mr. Chairman, I rise in favor of the amendment.

I agree with almost everything that the proponent of the pending amendment has stated. We have a good chance to economize, and I sincerely hope that our Democratic brethren who are condemning the Republican Party for extravagance and the great deficit in the Treasury will vote the way they talk during newspaper interviews and on the political stump.

Now, with reference to the sporadic outbursts of our Democratic colleague from Texas [Mr. BLANTON], who tried to place the blame upon the Republican administration and Republican Members for extravagance because they had voted for expenditures out of the people's Treasury to carry on the great building program, if the gentleman will refer to the CONGRESSIONAL RECORD he will see that he can not convict the Republican Party without also convicting the Democratic Party.

I do not agree with the gentleman that we should be penurious with reference to providing entertainment funds for our representatives in foreign countries. I am surprised to find that the self-styled champion of the common people, the fighter against predatory interests and those great millionaires of the country whom he vigorously assails from time to time, would vote against an appropriation which is in the interest of the man with moderate means or small means. We do not want only multimillionaires and Wall Street men to represent our country in foreign lands because they alone have sufficient assets to provide the diplomats necessary entertainment found from their own private resources.

The gentleman facetiously brought in the question of "wine, women, and song." I may state to the gentleman from Texas if he wishes to save a good many millions of dollars for the taxpayers and prevent the expenditure of hundreds of thousands of dollars each year for wine, women,

and song, expenditures by prohibition agents, such as Kitty Costello, throwing parties in the National Capital, purchasing 12 or 14 quarts of liquor for a dinner party for 6 or 8, he will have an opportunity to do so in this session of Congress. [Applause.] I ask that the gentleman who has "wine, women, and song hydrophobia" come before the Expenditures Committee and ask that committee to support a resolution which I intend to offer, to have the light thrown on the undercover appropriations and expenditures of the Prohibition Department, and let us see whether newspaper reports are correct that prohibition agents testify in court after court that they have to purchase from 18 to 20 or 30 drinks of whisky, with the taxpayers' funds, in order to make a case.

There you have an opportunity, my friend, to take this matter up with your dry Democratic colleagues and ask them to come out in the open and assist you in giving the people some light on this proposition.

Mr. SABATH. Will the gentleman yield?

Mr. SCHAFER. I will gladly yield to the gentleman.

Mr. SABATH. All of the expenditures the gentleman has referred to are approved by a Republican administration?

Mr. SCHAFER. By a Republican Prohibition Director. I will agree with the gentleman that they are approved by a Republican Prohibition Director, but I will state that the present Republican Prohibition Director, Mr. Woodcock, is one of the most honest and able Prohibition Directors we have ever had, and the directors in the district offices under Mr. Woodcock are generally honest. I remember under the Democratic administration, even in the great State of Wisconsin, that many of your directors of prohibition have served terms in the penitentiaries. You have to hand it to the present Director of Prohibition, because he stands high in comparison with many of those holding responsible prohibition-enforcement positions under the Democratic administration.

Many of the Democratic Members talked much about international bankers during the moratorium debate.

[Here the gavel fell.]

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five additional minutes. Is there objection?

Mr. BLANTON. Mr. Chairman, reserving the right to object, and I shall not object, I want to ask the gentleman if he is in favor of this \$100,000 entertainment fund?

Mr. BANKHEAD. Mr. Chairman, this debate has gone very far afield. We have certain rules of procedure in the Committee of the Whole. I have not made any objection heretofore and I shall not make any objection to whatever the gentleman may say; but in order to expedite the consideration of this bill and conclude it, gentleman ought to remember the rule which requires them to adhere to the matter disclosed by the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCHAFER. I am talking strictly to the amendment, and if the gentleman wants to object to my statements I suggest that he have his Democratic colleagues adhere strictly to the exact letter of the rule and follow the letter himself at all times. But I am talking to the amendment and the matter which was brought up by preceding speakers. They condemned the Republican Party for extravagance. During the moratorium debate the four horsemen of the Democratic Party, in opposing the legislation, raised the cry of the international bankers and claimed that the Republican Party and administration had sold out, boots and breeches, to the international bankers. The international bankers, who had loaned billions of dollars to foreign countries who were then at war prior to our entering the World War, were mainly responsible for driving this country into the war under a Democratic administration. The Democratic administration bonded our Nation to a staggering amount, and the extravagance of the Democratic administration, the staggering war debt of billions of dollars, and

the increased burden on the Treasury of over a billion dollars each year to care for the World War veterans has a great deal to do with the present depression.

Then you have another Democratic horseman from the State of the gentleman from Texas who claims to be the spokesman in Congress for the veterans. He has criticized the Republican Party with reference to the veterans' bonus. Why, when we were discharged after the World War, I vividly remember the great bonus which was given us under a Democratic administration, a bonus of \$60, with which, because of the high prices which prevailed at that time, one could hardly purchase a suit of clothes. That was the great bonus which the Democratic administration gave to the veterans of the World War. The great liberal Democratic administration also gave the totally disabled World War veteran the magnificent sum of \$30 per month, and his disability or disease had to be shown during military or naval service, according to the records of the War Department or of the Navy Department.

I tried to obtain recognition right after the gentleman from Texas [Mr. BLANTON] had spoken, in order to advise him that if the gentleman wants to find out how the taxpayers' money is being squandered, and has been squandered in the past, under Democratic as well as Republican administration, where the question of wine, women, and song entered into it, ask your Democratic friends to have a complete investigation of the expenditures of the Prohibition Department; and if you want to save the taxpayers' money repeal the eighteenth amendment and sumptuary prohibition laws, which have changed our American Constitution from a charter of rights and liberty into a criminal statute book. [Applause.]

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment.

If this be a sample of the Republican defense or attack, the Democratic Party may well be pleased, because the people will pay no attention to any such wild and in many instances reckless statements as the one made by the gentleman from Wisconsin [Mr. SCHAFER]. [Applause.]

It seems to me that the gentleman is now the spokesman of the Republican Party. Of course, this was not so some years ago. Then he was a progressive; but now he is a standpatter and a representative of the administration. Of course, I realize the administration needs as a defender a man who can shout and attack carelessly and viciously at all times.

The gentleman charges that the Democratic Party is responsible for the bonus. Yes, it is; but a Republican President vetoed it and in every way handicapped the Democratic Party, but we passed the measure over his veto.

I agree with the gentleman from Wisconsin [Mr. SCHAFER] that by the elimination of the tremendous waste on the part of the prohibition agents, who under the pretense of securing evidence have spent large sums of money for wine and liquor at parties, we shall have gone far in reducing the national deficit. But he should realize that it is all under a Republican administration, and not only have large sums of money been wasted and squandered by these field agents but we have hundreds more on the pay roll that should be eliminated, and thereby save millions of dollars for the American taxpayer. For my part nothing would suit me better than to abolish the entire department, and therefore remove the continuous harassments and annoyances caused by these prohibition spies and "snoopers."

Mr. SCHAFER. Will the gentleman yield?

Mr. SABATH. I will in a moment.

The gentleman charges that the Democratic Party is responsible for this panic or crisis throughout the Nation, and he, with the President, demands immediate action now to relieve deplorable conditions; but, instead of aiding the President, who now is demanding action, he seems to take up a great deal of time uselessly.

Returning to Washington this morning, I noticed in all of the Republican newspapers that the President requests speed in the enactment of his so-called economy program and plan, and I agree with him that we should proceed to legis-

late now with as much speed as possible; but, Mr. Chairman, for two years I have pleaded in vain for some constructive action, and the Nation has implored the President to come forward and approve a program that would relieve it from this economic and industrial destruction, from this panic, from this crisis. Together with many thousands of business men throughout the United States I have advocated that he should call a special session of Congress and approve a program to create a finance corporation patterned after the Democratic measure—the War Finance Corporation—but he refused to act. I have implored; I have pleaded; and 90 per cent of the banks of the United States have likewise pleaded with him, but all in vain.

During the few weeks since Congress has convened he has been extremely busy sending messages and making recommendations. Now I do not wish to be harsh; if I were, I would repeat, what many citizens charge, that the presidential campaign is approaching and that his communications are due to political expediency, and however much the new spokesman from Wisconsin [Mr. SCHAFER] will try, he will not change the opinion now held by the American people of President Hoover and his administration.

Mr. Chairman, for upward two years I have appealed to the President to aid in securing action on the part of the Federal Reserve Board to extend its power of rediscount. For two years I have urged Mr. Meyer, the Governor of the Federal Reserve Board, and the board to extend this power so as to make possible the saving of the thousands of banks that have been forced to close and to save thousands upon thousands of business men and manufacturers who have been thrown into bankruptcy and have thus brought about the unemployment of over 8,000,000 people in this Nation as well as want and misery to many millions more; but no, the President has failed to act.

Mr. Chairman, the country knows that President Hoover has been indifferent and, consequently, will disregard the many messages he will send in to Congress and what headlines the Republican press will give them; it will not pardon him for his delay. Yes; we need no prodding; we will act and act quickly. I have introduced the very first bill to create a finance corporation, and I hope that within a few days it will be favorably recommended and that the Democratic side, with the assistance of some Republicans, will pass it.

I have every reason to believe that the Banking and Currency Committee will also shortly recommend widening the power of the Federal Reserve Board so as to accept for rediscount short-term municipal paper and other commercial paper that will relieve the commercial and financial situation in the Nation.

My friends, these attacks, trying to blame the Democrats for things that the Republican administration is guilty of, will not avail you. The people know who delayed and who refused to come to the rescue of the country. They know that President Hoover and the Republican administration must be held responsible, and will be held responsible, regardless of what the gentleman from Wisconsin [Mr. SCHAFER] or any other Representative of this administration may say on this floor or in the newspapers throughout the Nation. [Applause.]

I have in my hand here a number of telegrams that I sent in 1929 and in 1930 and even in 1931 to the President, requesting and pleading that my plan be approved by him to relieve the conditions; I have done so because we had a Republican House and a Republican Senate, and I knew it was futile to attempt to pass any relief legislation without his O. K.

But within the last two months something has transpired. The elections have been held and the people have spoken, and he has realized that the American people have spoken in no uncertain manner and that extraordinary efforts will have to be made on his part to rehabilitate himself with the suffering American people.

To my great surprise he did, rather late, recommend to Congress the adoption of legislation which I have advocated, as I have stated previously, for nearly two years. It is to be

regretted that he has permitted himself to be misled in his term of office by the international and Wall Street financiers.

In conclusion, I can not help making the assertion that it is my opinion that this banking group must realize that some effective measure is necessary to save the country from complete ruin and is giving the President permission to advocate the relief legislation which the country has pleaded for during his entire term. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, with respect to the amendment which is before the committee and to which the gentleman from Alabama [Mr. BANKHEAD] referred, we have digressed a considerable distance and I would like to return to the one item of the furnishing of rooms. I understood the chairman of the committee, our distinguished friend the gentleman from Tennessee [Mr. BYRNS], to say that the estimate of \$400,000 was based upon an appropriation of \$1,760 a room, and this figure was confirmed by the gentleman from Kansas, who offered an amendment reducing this total sum from \$400,000 to \$200,000. I think the only mistake the gentleman from Kansas made was that he did not propose to reduce it more.

I have had a little experience with purchasing furniture. It is not necessary that we should have the latest mahogany patterns or that our chairs should be of the latest type or of the most expensive leather. Let us get right down to the details and see what would be a fair sum to comfortably, not luxuriously, furnish the rooms.

I have just written these figures off. I would be glad to take the contract if I was in a position where I could do business with the Federal Government. These are the figures: Desk, \$100; four chairs, \$150; two secretaries' desks, \$100; two secretaries' chairs, \$50; carpet, anywhere from \$50 up, call it \$50; bookcases, \$150; coat racks, \$10; incidentals, \$15; making a total for furnishing a room for any ordinary man doing business for himself not to exceed \$625 per room.

Mr. FREAR. That furniture is already on hand.

Mr. TREADWAY. And half of that furniture is already on hand, as the gentleman from Wisconsin says.

Mr. FREAR. All of it.

Mr. TREADWAY. We have to furnish two rooms. But, Mr. Chairman, for the offices in the old building you could not possibly expend, without going into luxuries, \$700 on a particular room.

I do not think of any article I have omitted in this list that is supplied in my office in the House Office Building.

Mr. BYRNS. I did not refer to so much money for a room. The gentleman understands that this involves two rooms instead of one for \$1,780, which was the estimate submitted to the committee, and we made it \$560,000. The committee is not favoring any proposition which involves anything like \$1,780 for a suite.

Mr. TREADWAY. You will have 218 Members in the new office building and 218 times \$625 is about \$150,000.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Chairman, I ask for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TREADWAY. Let me make this one statement in this additional time. I am not personally interested in this matter. I was only anxious to see if we could not in a businesslike way combine for economy. There has been a lot of talk about economy in the last two days. Let us show a practical illustration of economy by adopting the motion of the gentleman from Kansas making this sum \$200,000 at the present time.

Let me add this one thought: If when the building is completed it is found there is still need for further investment in furniture, Congress will be in session and, while I hope that the gentleman from Tennessee will not be in a position to be chairman, as I hope the chairmanship will pass to the other side, I will say this, that if we are still

under Democratic control, I certainly hope the gentleman from Tennessee will continue as the efficient chairman of this great committee, because I realize that he is anxious for economy just as much as the rest of us.

Mr. BYRNS. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. BYRNS. I want to ask the gentleman if he recently submitted an estimate for furniture or a requisition for furniture for his office in the House Office Building, and if so, what was the value of the furniture he requested in his requisition?

Mr. TREADWAY. I have the furniture that was left in the office by my friend from Alabama [Mr. ALMON]. I am a great believer in and lover of antiques. I not only have old furniture in my office but in my own home and made no request for special furnishings.

Mr. BYRNS. I have understood that the value of the furniture requested was \$1,700.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. WILLIAM E. HULL. But there are two rooms to furnish instead of one in the new office building, so that instead of 218 Members you are taking care of practically double that number.

Mr. TREADWAY. We have 218 men going into that building.

Mr. WILLIAM E. HULL. But there are two rooms to furnish for each man.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and on a division (demanded by Mr. SCHAFER) there were—ayes 13, noes 73.

So the amendment was rejected.

The Clerk read as follows:

GEORGE WASHINGTON BICENTENNIAL COMMISSION

For an additional amount for the George Washington Bicentennial Commission for the fiscal years 1932 and 1933, including the same objects specified under this head in the independent offices appropriation act, 1932, \$250,000.

Mr. KVALE. Mr. Chairman, I move to strike out the last word in order to ask a question of the chairman of the committee. At this point in the bill the accompanying report shows that the Budget included an item for \$20,000 on request of the Federal Trade Commission for the stated purpose of securing a stenographic record of the hearings being held by the commission.

That item does not appear in the bill, and I ask the chairman to make a statement for the record explaining why it was omitted.

Mr. BYRNS. That item included \$9,500 for additional stenographic work. It related wholly to the stenographic work which the commission has been doing in an investigation of the cottonseed-oil industry, most of which has taken place in the State of Texas. That investigation was carried on under a Senate resolution, a resolution with which the House had nothing to do. The request for the additional sum was made necessary because the Federal Trade Commission had used some of the appropriations which were given it for investigations along other lines, in carrying on this investigation ordered by the Senate without the concurrence of the House. In view of the fact that it was altogether a Senate inquiry, the committee felt that it was a proper subject to leave to the Senate in order that the Senate may understand just what its resolutions are costing and that the Senate might put it in if it sees fit. Of course, if there is a proper need for such an appropriation I have no doubt but that the House will later on concur.

Mr. KVALE. But the gentleman and the committee had nothing in their minds that would tend to show any desire to slow down these investigations?

Mr. BYRNS. Not at all.

Mr. KVALE. Or the dissemination of information collected through these investigations?

Mr. BYRNS. Not at all; on the contrary, and I think I speak for the committee, and certainly for myself, when I say that it is our desire that these investigations shall proceed at the earliest possible moment, and just as vigorously and earnestly as possible.

Mr. KVALE. I thank the chairman and withdraw the pro forma amendment.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read. The Clerk read as follows:

Amendment offered by Mr. TREADWAY: Page 7, line 13, after the figures "\$250,000," strike out the period, insert a comma, and the following: "Provided, That no part of this appropriation shall be used for the purposes of the commission after February 22, 1932."

Mr. TREADWAY. Mr. Chairman, in offering this amendment, I have hastily run through the hearings before the Committee on Appropriations on the George Washington Bicentennial Commission, where the director, our colleague, the gentleman from New York [Mr. BLOOM] appears as a witness. He provides the committee with such information as they asked for. I call attention to one or two items. There is one for personal services, salaries, amounting to \$283,613.78; for printing and binding, \$98,456; for stationery and office supplies, \$17,328. I commend to the attention of this committee the statement provided by Mr. BLOOM on page 36 of the committee hearings. There has been a total allotted and appropriated by the Bicentennial Commission of \$835,716.02, and now we are asked to appropriate \$338,000 which the committee cut to \$250,000 in this deficiency appropriation bill.

I know there is no American citizen who does not want to show proper respect to the memory of George Washington and the commemoration that is to take place on February 22, but I submit that it is nothing more nor less than a vaudeville stunt when people are asked to put covers on their spare tires on the back of their automobiles which carry a chromo of George Washington upon them. I submit that when the director of the Bicentennial Commission has his photograph taken with numerous trinkets that are to be sold to the public throughout the country this year, it is lowering the memory of George Washington among the people of the country.

I heard the distinguished director make an address a few nights ago wherein he bragged that the commission in half a minute's time could locate every organization in every place where there is a post office in the United States. What in the name of all that is good has that to do with commemorating the two hundredth anniversary of the birth of George Washington? There is a suite of offices and the director is proud of the fact, occupying an entire floor in one of the office buildings down town. The rents are put in here at \$15,306 up to the close of this fiscal year. What is there to it in honor of the memory of George Washington? The matter has gone so far as for us to have received through the mails under the frank of the Bicentennial Commission an advertisement of a publication urging people to subscribe to that publication.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No; I prefer to complete my statement. I am making a correct statement and the gentleman can make his own. I submit that no matter whether the gentleman from New York [Mr. BLOOM] approved it or not, this advertisement should not have been sent to a single Member of Congress under the franked envelope of the George Washington Bicentennial Commission.

I have both the advertisement and the frank envelope to prove what I am saying. That is the sort of propaganda that is going around the country to-day in the name of the celebration of the memory of George Washington.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, ladies, and gentlemen, I very much regret that my colleague [Mr. TREADWAY] has brought up certain questions which I am compelled to answer, because I feel the gentleman is very much mistaken. The gentleman

is mistaken in his last statement, wherein he says that the commission or the associate director sent out anything under the frank or under the penalty envelope that should not have been so sent out. I would be glad to yield to the gentleman at any time. He can ask any question he wishes. I am willing to be interrupted.

Mr. TREADWAY. I did not yield to the gentleman while I was speaking, and he is very courteous to yield to me.

Mr. BLOOM. I am glad to yield to the gentleman. I would like to say right now that if I am given sufficient time I shall be pleased to stand here and answer every question that any Member of the House would like to ask me. I want to have it understood by everyone just exactly what we are doing. I do not want to deal in personalities. If anyone brings up a question and I am compelled to answer, I want you to know that there is nothing personal in it at all.

Mr. TREADWAY. Does the gentleman say that I did not receive at my home in Stockbridge, Mass., a circular advertisement of a publication under the auspices of the gentleman's commission, included in a frank envelope from them?

Mr. BLOOM. May I answer that by asking the gentleman a question? Does the gentleman refer to the Literary Digest?

Mr. TREADWAY. I do.

Mr. BLOOM. Mr. Chairman, ladies, and gentlemen, I am very glad the gentleman asked this question and I am going to answer it and prove that the gentleman is entirely mistaken, and it was the gentleman from Massachusetts [Mr. TREADWAY] who violated the law by sending this paper to himself.

Mr. TREADWAY. I beg the gentleman's pardon. I never did it.

Mr. BLOOM. Will the gentleman allow me to answer? Please remember that I am not personal in this, but I want to prove that we, the commission, are right. The gentleman can attack me. I am willing to be attacked.

Mr. TREADWAY. Oh, not personally.

Mr. O'CONNOR. Mr. Chairman, a point of order. May we have the rules of the House observed, that if a gentleman wishes to interrupt, he should first address the Chair and then ask the other gentleman if he will yield?

The CHAIRMAN. The Chair will enforce the rules.

Mr. BLOOM. Now, gentlemen, this is what happened: The Literary Digest is spending a lot of money in having an essay contest with reference to the different phases and events in the life of Gen. George Washington. They sent to the commission by express several hundred of those papers showing what they were doing, and when we received the papers we wrapped them up and sent one to each Member by hand delivery. How did we send them? We had a boy go up in a taxicab and deliver them at the House Office Building. They were not sent through the mails; nothing like that, but they were delivered by a boy in an envelope or in a package carrying the name of the Bicentennial Commission. The gentleman from Massachusetts [Mr. TREADWAY] had left word with the Postmaster at the House Office Building that all mail in his box or mail delivered to him in care of the House Office Building should be sent to him at his home in Massachusetts, so the Postmaster forwarded the envelope to the gentleman in Massachusetts and the gentleman in Massachusetts, wanting to help us out very much, wrote to the postmaster that we had disobeyed the law. So we looked it up and said to the postmaster, "No; we did not disobey the law, but the gentleman from Massachusetts disobeyed the law." [Applause.]

Now, let us be fair about all of this. As I said at the outset, you may ask me any questions you want to and I will try to answer them.

May I answer the question with reference to the tire covers? We have heard of that often. The commission had no more to do with it than any of you Members did. When Colonel Grant and I were associate directors a gentleman came in and said, "What do you think of this?" showing us a tire cover. And we both agreed that it might be a good advertisement at that time. The commission did not buy any. We had nothing to do with it. They are still sell-

ing them, selling them all over the country. The only thing I did was personally to buy a lot of them and give them to you gentlemen for nothing. That is all I did.

Now, may I answer the gentleman with reference to the trinkets?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, the gentleman from New York [Mr. BLOOM], who has rendered distinguished service in this matter, was unavoidably kept from the House on yesterday when this matter was under general debate. Therefore, the gentleman did not have an opportunity to speak on this subject, and I ask unanimous consent that the gentleman from New York be given 15 additional minutes, in view of the facts I have stated.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Mr. VESTAL. Will the gentleman yield?

Mr. BLOOM. Yes.

Mr. VESTAL. When the gentleman spoke about spending his good money to help these folks, did he mean the commission's money or his own money?

Mr. BLOOM. My own money. I bought these tire covers myself. If you do not agree with me that it was a good thing, you and I differ; but the commission had nothing to do with it. It was just an idea which Colonel Grant and I personally thought was good.

Now, let me explain to you about these trinkets with which the gentleman from Massachusetts said I had my picture taken. I want to say right now that we have been trying all along—that is, this commission has—to bring about a better condition in the unemployment situation of this country, so as to have more people employed in manufacturing goods. This commission could not receive or could not get a sufficient amount of money to do it. If you made an appropriation of \$25,000,000, you could not get what the commission is getting now without the expenditure of practically any money. We figure that directly and indirectly throughout this country we have placed in employment at least 500,000 people, and I am going to prove that to you if you give me the time.

Let me read to you a letter coming from the Noma Electric Corporation dated December 15. These people are manufacturing what they call a shrine. I want to say right here, Mr. Chairman, that we have invited each and every Member to call at headquarters in order to see just what the commission is doing.

We wanted you to come because we knew that if you came there once and saw what this commission is doing and how it is spending your money, you would have no criticism of our work. Let me tell you right now that every dollar and every cent that is expended by this commission goes through four hands and is checked off by four different people and finally goes to Senator Fess, who approves or disapproves of the expenditure. Up to date we have not had objection to any bill that has ever been presented to this committee. This letter from the Noma Electric Corporation to which I have just referred says this, amongst other things:

In the sincere thought of furthering the ideals of your commission and the interest of maintaining employed our present workers, as well as many thousands of new ones it will be necessary to hire, this corporation, the largest in its industry in America, herewith places its entire resources and strength behind the great effort to distribute thousands upon thousands of these George Washington shrines to every part of this country and to as many foreign countries as it will be possible to reach.

Then it continues:

Your worthy suggestion of using unemployed American Legion men as well as other unemployed men in the sales distribution of these shrines is heartily accepted. We will work out a special plan to enable such unemployed men to earn a sizeable wage. It is our opinion thousands of such men can be employed throughout the country.

The reason we have these trinkets and the reason we are asking these people to get out all the different kinds of literature is to get them to employ people, thereby advancing

the celebration. That is what we are trying to do. We can convince any Member of this House that we are doing it and can give you a list of the different manufacturers.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLOOM. Yes.

Mr. O'CONNOR. As to these shrines, is it correct that this company itself sells them and the commission does not? That is correct, is it not?

Mr. BLOOM. That is absolutely correct.

Mr. O'CONNOR. Is it also correct that you control the price on them?

Mr. BLOOM. Absolutely.

Mr. O'CONNOR. And you will not permit them to sell them at what you think is an exorbitant price?

Mr. BLOOM. Yes. I want to say this, that as soon as anything is submitted to the commission we approve or disapprove of it in this way: If, for instance, the likeness of General Washington is satisfactory to the commission, we say so. It is not I personally, but it is the commission that decides. If the likeness is correct, then the historian corrects the data; if these are correct, then we make the manufacturers put a price on it. If they say, "Well, we are going to sell this for \$5," we say, "That is too high." We realize that once we approve of something, they can go out and perhaps sell it at a higher price than if they did not have the approval of the commission.

So we make them get our approval in advance. But remember this: We are not commercial; we do not handle any money, and when I say "we" I mean the commission. We have nothing to sell. You could not buy anything from us at any price, but if you want to buy anything direct from the manufacturers that we distribute ourselves we allow you to buy it at the same price at which it is sold to the Government. For example, if you wanted to buy any of the Washington art plates that are distributed throughout the country, then the manufacturer or the printer must sell you one or five hundred thousand or a million at the same price at which he sells to the Government. So we are not commercially interested in it one way or the other. I now yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman stated that one of the purposes of the commission was to find employment. It was my understanding that this commission was set up for the express purpose of putting on a dignified celebration commemorating a great event, and if the gentleman and his commission are holding themselves out as an employment agency, as an employment bureau, or possibly posing as a part of the reconstruction program, they are in error, because that is not within the scope of the authority of the act creating the commission. That was my thought.

Mr. BLOOM. I have never brought that out before and I would not have brought it out now had not the gentleman from Massachusetts mentioned these facts. Naturally I defended our actions. We are not concerned about the sale of any of these things, but we are concerned—not through publications, through the press, or through advertising—in trying to give as many people employment as we possibly can. Probably that is not functioning in accordance with the act, but if we can do it, I hope that gentleman will not object to our trying to do it.

Mr. MICHENER. My only objection is this: According to the gentleman's statement, the commission in some manner has given its approval to some of these commodities which are being sold throughout the country. I referred yesterday to the George Washington Bicentennial Commission Costumes (Inc.) and to the fact that statements are going over the country to the effect that the Congress of the United States is spending millions of dollars in advertising this celebration.

In some of our districts there is a reaction. We do not feel at this particular time that the Congress of the United States should be spending millions of dollars to advertise the fact that George Washington lived, and according to the gentleman's statement this material has gone out with his approval.

Mr. BLOOM. It is not Congress but the manufacturers who are spending this money in advertising. We wrote to the firm that the gentleman has mentioned, after some one called our attention to some of their statements, telling them they would have to stop making them. The letter was written on December 29. We told them that some of their statements were bringing about a little bit of comment on the part of some people with reference to the Government spending all this money. The Government is not spending this money.

If you allow the commission all that it has asked up to the end of the celebration, which is beyond this fiscal year, because the celebration is to be extended—

Mr. MICHENER. How long does the commission expect to operate?

Mr. BLOOM. Until Thanksgiving Day of this year.

Mr. MICHENER. How much money is now in the Treasury unexpended?

Mr. BLOOM. Unencumbered, \$161,021.64; encumbered, \$291,718.32.

Mr. MICHENER. Then you have \$161,000, in round numbers, unencumbered?

Mr. BLOOM. Yes.

Mr. MICHENER. So that if the provision in the pending bill were stricken out entirely you would have \$161,000 with which to finish your advertising and close up business.

Mr. BLOOM. I would not say advertising, because we do not advertise. There is no advertising in this. We have not spent one cent for that purpose. We have spent the money for papers and documents that the gentleman's State, as well as every other State, is clamoring for. If you do not allow us to continue and to fill the orders that we expect to get between now and the end of this fiscal year, then, we might just as well stop.

Mr. MICHENER. That is what I mean. If we stopped right now you will not be prevented from fulfilling any obligations, but you will be prevented from filling the orders, as the gentleman puts it, which you expect to get later.

Mr. BLOOM. No; just the reverse. If we do not get this appropriation now we can not fill the orders that we have on hand at the present time. This appropriation is not to extend beyond the end of this fiscal year, and it is necessary to-day to finish the orders and to get out the publications that we are supposed to get out.

The gentleman from Michigan will remember that he wrote me for a lot of things several weeks ago or several months ago that I could not fill, because I have not the money.

Mr. MICHENER. Wait a minute. The gentleman has just referred to our correspondence—

Mr. BLOOM. I said that the gentleman wrote to me about publications and I could not fill his orders.

Mr. MICHENER. Yes; I wrote to the gentleman about those pictures. The gentleman kept calling me up and writing me and telling me I had not sent out this material, and wanted to know why I was not sending it out, and, finally, I talked with some one down there and told him that I viewed this matter just as I did the free-seed distribution, that I always opposed the appropriation for free seed and did everything I could to prevent the appropriation, but after the appropriation was made and my quota was allotted to me, I then sent that quota out to my district because it would be no saving to the Government if I did not send it out.

Mr. BLOOM. Would the gentleman permit me right here, or would the gentleman have any objection if I read a couple of his letters?

Mr. MICHENER. Not a bit; whether I wrote them or my secretary wrote them.

Mr. BLOOM. I would rather not read them if the gentleman has any objection.

Mr. MICHENER. No; I will be very glad to have the gentleman read them.

Mr. BLOOM. This is dated December 10.

WASHINGTON BICENTENNIAL COMMISSION.

GENTLEMEN: Prof. Fred C. Fisher, Deputy Commissioner of Schools, of 2615 Barium Tower, Detroit, Mich., has asked for

the following publications to be distributed to the rural and smaller village schools of Wayne County:

One hundred and fifty portraits of George Washington—

That is the one the gentleman just referred to.

Mr. MICHENER. Yes; and that was after our talk.

Mr. BLOOM. And these are the things the gentleman did not just refer to:

One hundred and fifty handbooks of the George Washington Appreciation Course; 150 copies of each of the following Washington pamphlets:

One hundred and fifty copies of Frontier Background of Washington's Career, 150 copies of Washington the Man of Mind, 150 copies of Tributes to Washington, 150 copies of Washington the Farmer, 150 copies of Washington as a Religious Man, 150 copies of Washington the Colonial and National Statesman, 150 copies of Washington and the Constitution, 150 copies of Washington as President, 150 copies of Washington, Proprietor of Mount Vernon, 150 copies of Washington the Military Man, 150 copies of Washington the Traveler, 150 copies of Washington the Business Man, 150 copies of Washington as Engineer and City Builder, 150 copies of Washington, Home and Fraternal Life, 150 copies of Race Elements in Washington's Time, 150 copies of Classified Washington Bibliography.

I am inclosing addressed franks and if you need more franks and will advise me, I shall be pleased to send them.

Yours truly,

EARL C. MICHENER, M. C.

During the reading of the letter—

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the gentleman may have 15 minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

After the reading of the letter—

Mr. MICHENER. May I ask the gentleman a question following that?

Mr. BLOOM. Certainly.

Mr. MICHENER. Those are the publications that the gentleman has been advertising and which the gentleman has claimed he would send out.

Mr. BLOOM. Yes.

Mr. MICHENER. The gentleman's commission sent word to this Detroit official that they were not getting their quota and that they were entitled to these things and then they wrote to me and after explaining my situation to the gentleman I said that if these things were issued I wanted them sent there, is not that correct?

Mr. BLOOM. Yes; that is correct; but further answering the gentleman's question—I suppose we will let the letters drop now, although I have more of them, but there is no use putting them all in the Record.

Mr. MICHENER. You may put them all in if you want to.

Mr. BLOOM. No; but here is the idea. I want to answer the gentleman's question.

I will answer the question this way. A few minutes ago the gentleman from Massachusetts stated that we could at the bicentennial headquarters tell you anything about the United States in less than half a minute. I do not have to be at headquarters to do that. Now, is there anything about the State of Michigan that the gentleman wants to know?

Mr. MICHENER. If all Members got these publications as I did and under the conditions I got them, it would not change the conditions.

Mr. BLOOM. You wrote for them.

Mr. MICHENER. If you have printed those books—

Mr. BLOOM. We have not printed them. I am trying to get the money to print them.

Mr. MICHENER. You wrote various parties asking them to send them out; and if they did not, you called them by telephone and wrote us letters asking us why we did not send them out. I said that I treated the matter as I did the free seeds, that if they were going to be sent out then I would send them out.

Mr. BLOOM. Let us plant the seed right there. Let us see when you or any other Member has ever received a

letter from the commission with reference to anything else except the things we wanted you to send out. In other words, we have been fair to each and every Member of Congress. We have not taken it on ourselves to send things out in the name of the commission. We wanted each and every Member to send them out under their own frank in their own districts. We have not written to the Members about the things—you wrote to us.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. BLOOM. Certainly.

Mr. SMITH of Idaho. I am curious to know why other Members of Congress have not been favored with these things.

Mr. BLANTON. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. BLANTON. If the gentleman from New York were to furnish to the other 434 Members of Congress as many periodicals, and in the quantities asked for, as the gentleman from Michigan has requested him to send to his Michigan district, how much money would he have to have? [Laughter.] I want to compliment the gentleman from New York on the efficient way in which he has handled this job. [Applause.] And I want to say that every letter I have written to him, whether important or not, has brought an immediate answer.

Mr. BLOOM. I thank the gentleman.

Mr. TREADWAY. Has the gentleman from New York finished with the gentleman from Michigan?

Mr. BLOOM. I do not know. What I want to know is whether the gentleman from Michigan has finished with me. [Laughter.]

Mr. MICHENER. Let me say that I have 150 rural schools in Wayne County, which is in my district, and there are a great many more schoolrooms in my district.

Mr. BLOOM. Does the gentleman want to know how many there are? He has 2,414 schoolrooms in his district.

Mr. MICHENER. I said that I had 150 rural schoolrooms in Wayne County.

Mr. TREADWAY. I hope the gentleman will pardon my interruption. I only rise at this time to call his attention to what was said about my use of the frank. I think the gentleman referred directly to me.

Mr. BLOOM. Yes.

Mr. TREADWAY. I would like very much to have the gentleman examine this envelope and see if there is any evidence whatsoever that I had anybody forward that envelope to me.

Mr. BLOOM. This envelope bears out exactly what I said.

Mr. TREADWAY. Oh, no.

Mr. BLOOM. I am answering the gentleman.

Mr. TREADWAY. Go ahead. I want to show the gentleman the contents; I want the House to see the envelope that I received and the articles in it.

Mr. BLOOM. Perfectly right.

Mr. TREADWAY. It is an envelope addressed to me and postmarked in Washington. There is the postmark in the corner [indicating].

Mr. BLOOM. Perfectly right.

Mr. TREADWAY. Just let me alone.

Mr. BLOOM. I just want to bear the gentleman out where he is right, and then I will tell him later where he is wrong.

Mr. TREADWAY. I should be very glad to hear that later on. Some gentleman asked me about the envelope. There it is. Here is the mark, posted in Washington on October 17, 1931, and it is the envelope of the United States Commission for the Celebration of the Two-hundredth Anniversary of the Birth of George Washington, Washington Building, Washington, D. C. "Official business. Penalty for private use to avoid payment of postage, \$300." Here are the contents: A copy of the Literary Digest of September 19, 1931, and a circular of the Literary Digest, headed, "Celebration of the Two-hundredth Anniversary of the Birth of George Washington," with a letter addressed to "Dear friend"—a perfectly straight advertising proposition and nothing else, and it goes on with a continuation

of the advertisement, but the little joker in the thing is here, that in order for these schools, of which our friend from Michigan has such a large list, to participate in these efforts to secure the prizes offered by the Literary Digest, the condition is that every class that sends in 25 or more school subscriptions to the Literary Digest for the term of the first semester, "price, 6 cents per copy," will be presented with two beautiful and specially designed pins, which are illustrated here. In other words, a straight effort on the part of the Literary Digest to use the name of the Bicentennial Commission in order to secure subscriptions to that publication. Then, furthermore—

Mr. BLOOM. Oh, I yielded for a question and not a speech.

Mr. O'CONNOR. I am wondering whether the gentleman from New York realizes that the gentleman from Massachusetts is taking up all of his time.

Mr. BLOOM. I just objected to it.

Mr. TREADWAY. Let me just ask whether or not officially you allow the Literary Digest to receive from your office assistance or suggestions which are marked "furnished free by the Bicentennial Commission," and "photographs by courtesy of the George Washington Bicentennial Commission"? Also, kindly explain why those two publications should have been received in a franked envelope.

Mr. BLOOM. All right. Mr. Chairman and gentlemen of the House, it bears out everything I said at the start. Naturally we have only one kind of envelopes and all have the same wording on them. These articles were sent out in this envelope but were not delivered through the mail. They went in this way up to the House Office Building, the same as you gentlemen receive many kinds of material. This is not anything new, and we knew that we had no right to send that out through the mail. We sent them up to the House Office Building and they were put in the Members' box, but the gentleman from Massachusetts was away at that time and he left word that all of his mail should be forwarded to him wherever he was.

Mr. MORTON D. HULL. Is the envelope readdressed?

Mr. BLOOM. No.

Mr. TREADWAY. It is plainly addressed.

Mr. BLOOM. This calls my attention to a fact so that now I know that I am right. [Laughter.] This went over to the House Office Building post office, but it is addressed to Stockbridge, Mass., and was mailed from over there. This did not go in the mails from the commission office. We had nothing at all to do with mailing this. An investigation which we asked the post-office authorities to make confirms this statement exactly. Let me answer your other questions, please.

Mr. TREADWAY. Just a moment.

Mr. BLOOM. No, no; let me answer.

Mr. TREADWAY. You did not answer the first one.

Mr. BLOOM. I will answer anything you want. This is an advertisement for the Literary Digest's national school essay prizes for the bicentennial celebration.

Mr. MCGUGIN. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. In just a moment. Now, the help or suggestions—get this, this is what he has been puzzled about—the help or suggestions furnished free by the George Washington Bicentennial Commission, Washington Building, are what we advertised for.

That is what this literature is for—to send out to the students, to the teachers, to the pupils throughout the country, to give them suggestions about George Washington. We are cooperating in exactly the same way with scores of other magazines and newspapers. It all helps the celebration. Why are we getting out this literature? Let me tell you. If you want to see our literature, I have a big package underneath the table there. We have gotten out for the first time in the history of our country an appreciation course of how to teach the teachers of this country to teach the pupils, the children, the country, the history of George Washington and the history of our country, accepted in the universities and colleges, and if there is any Member of Congress here who wants to know what his State

has done or any other State with reference to this matter, I can tell it to you in half a minute.

If people whose interest is aroused by newspapers or magazines write to the commission on any question that they want to know something about concerning the life of George Washington, naturally we would send it to them. That is what we are created for, to get out this information and send it around the country.

"Photographs by courtesy of the George Washington Bicentennial Commission." Certainly. That is the usual form of credit used universally. In other words, some of the photographs used here, although not all of them, were furnished by the commission. In other words, again we wanted to get it right. For example, I may say to the gentleman from Massachusetts [Mr. TREADWAY] that had we furnished the photograph of Mount Vernon, we would not have given them this one, because it is all wrong. So we did not furnish that.

Mr. McGUGIN. Will the gentleman yield?

Mr. BLOOM. I yield now.

Mr. McGUGIN. Irrespective of whether it went through the mail or not, what business has a Government bureau trying to boost one magazine against another, whether it be the Literary Digest, Collier's, the Saturday Evening Post, or what not?

Mr. BLOOM. I will answer the gentleman in this way: We are not boosting a magazine. We cooperate with all alike. What we are boosting is the essay contest, the same as the contest in the Washington Post—

Mr. McGUGIN. There was the combination between the Bicentennial Commission and the Literary Digest to promote two things, to advertise the Literary Digest and to advertise the Bicentennial.

Mr. BLOOM. I am sorry. I must take exception to the remarks of the gentleman, because there was no combination at all. The commission is organized to do one thing—

Mr. McGUGIN. Why were you sending that out?

Mr. BLOOM. I do not yield further unless the gentleman will allow me to answer him.

The CHAIRMAN. The time of the gentleman from New York [Mr. Bloom] has again expired.

Mr. McGUGIN. I beg the gentleman's pardon. I ask, Mr. Chairman, that the gentleman have further time.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent that the gentleman from New York have 15 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]?

There was no objection.

Mr. BLOOM. There is no tie-up in this thing at all. When the Literary Digest sent this in with the request that we send it to the Members of Congress, so as to acquaint them with this essay contest, we did it. I do not know anyone connected with the Literary Digest.

Mr. McGUGIN. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. McGUGIN. Why were you sending that out, through the mail or otherwise, when it is advertising for subscriptions to a given paper?

Mr. BLOOM. I beg the gentleman's pardon. The thing we were interested in was the essay contest, and we sent it to Members of Congress only, and for their information.

Mr. McGUGIN. And the Literary Digest was interested in the subscriptions.

Mr. BLOOM. If the gentleman thinks it was a mistake, I am sorry. We are doing thousands of things, and I may not do everything to the satisfaction of every Member, but I assure you I am doing the best I can.

Mr. WOODRUFF. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. WOODRUFF. Do I understand that only pieces of literature such as we have seen here to-day that were sent out by the gentleman's office, were sent to Members of Congress?

Mr. BLOOM. That is all.

Mr. WOODRUFF. And they were not sent to the general public?

Mr. BLOOM. Oh, no.

Mr. WOODRUFF. Anything of that kind that has gone to the general public has gone through the office of the Literary Digest?

Mr. BLOOM. Absolutely. We had nothing to do with it at all. The package sent to us was only sent to the Members of the House.

Mr. SPARKS. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. SPARKS. They were sent to Senators also, were they not?

Mr. BLOOM. I do not know whether they were or not. I think they are Members of Congress.

Mr. TREADWAY. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. TREADWAY. May I ask the gentleman how the Literary Digest secured the envelopes from the Bicentennial Commission, with their frank upon it, in order to send an advertising proposition to Members of Congress?

Mr. BLOOM. I have said several times that the way this happened was that the Literary Digest suggested they would like to distribute them to the Members of Congress and they sent them by express down to me. I knew we could not mail them, and I wrote to the postmaster just as soon as the gentleman from Massachusetts did with reference to this matter. I wrote to the postmaster as soon as my attention was called to it, and I investigated the matter. If the gentleman wishes, I will really give him an affidavit that that is the way it happened. The commission had nothing to do with it. They sent the magazines down here in bulk and we put them in envelopes and sent them to the House Office Building and asked the House Postmaster to distribute them. If I have done anything wrong about it I am sorry for it.

Mr. TREADWAY. Who put the address "Stockbridge, Mass.," on my envelope?

Mr. BLOOM. I will tell the gentleman how that happened. We have an addressograph, and evidently we had that address for the gentleman's mail. The clerk handling this envelope evidently did not consider it necessary to scratch "Stockbridge, Mass.," off, as it was going to the House Office Building by hand. I would like to say that we send out a million or a million and a half pieces of literature a month, and if we made a mistake I am sorry. We are doing the best we can, but this is the first complaint of this kind that has ever been made against the Bicentennial Commission.

Mr. WOODRUFF. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. WOODRUFF. It is a fact, is it not, that the Bicentennial Commission has not turned over to the Literary Digest or anyone else, franked envelopes in which to send advertising material out to the public?

Mr. BLOOM. Oh, no. Nothing like that has happened.

Mr. VESTAL. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. VESTAL. I simply wanted to make that a little plainer. As I understand, the Literary Digest sent this advertising matter to the Bicentennial Commission?

Mr. BLOOM. Yes, sir.

Mr. VESTAL. Asking the commission if they would not send or distribute that to the members of Congress?

Mr. BLOOM. That is absolutely correct.

Mr. VESTAL. And then you used your own envelope?

Mr. BLOOM. Yes, sir.

Mr. VESTAL. And put in this other proposition that the gentleman has shown here, and delivered it to the House Office Building?

Mr. BLOOM. Yes.

Mr. VESTAL. It was not mailed through the mail at all?

Mr. BLOOM. That is absolutely correct.

Mr. VESTAL. And that is the only place it went?

Mr. BLOOM. Yes, sir.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. OLIVER of New York. Is the Literary Digest a respectable paper?

Mr. BLOOM. I guess it is. I read it all the time.

Mr. OLIVER of New York. I never knew of a commission to act with greater interest for the membership of the Congress and greater devotion to the cause for which it was initiated, than the commission which the gentleman leads. I want to congratulate the gentleman.

Mr. BLOOM. I thank the gentleman.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. O'CONNOR. I want to clear up something, because I received an entirely different impression when the gentleman from Massachusetts [Mr. TREADWAY] was speaking.

He spoke of the amount for personal services, \$283,000, but he neglected to say that was for the six years the commission has been in existence. He mentioned stationery and office supplies, \$17,000, and he also neglected to say that was for six years.

Mr. BLOOM. All of the figures are from December, 1924.

Mr. TREADWAY. Will the gentleman yield?

Mr. BLOOM. Yes.

Mr. TREADWAY. I am very glad to have that correction and the gentleman from New York is undoubtedly correct, but I would like to call attention to the item directly under it, where it distinctly says that the pay roll of the commission at headquarters from June, 1931, to November, 1931, ranged from \$15,000 to \$20,000 per month. The total during those six months only—not six years but six months—for the pay roll of the office carried on by the gentleman from New York in the Washington Building, or wherever the offices are, amounted to \$107,788.40. That is correct, is it not?

Mr. BLOOM. I will answer that in this way: All of the figures you have in my report are from the beginning, from the first day the commission was organized. Now, naturally we grew and grew and grew until the sum total of \$283,613.78 is everything from the first day down to the 1st of January this year. I believe every Member of this House and every Member of both branches of Congress should be overjoyed to think that the people of this country are so patriotic as to celebrate the bicentennial of the birth of George Washington in the way they do want to celebrate it. We only have one bicentennial of the birth of Washington. If you do not celebrate it now, you can not celebrate it in 1933, 1934, or 1935.

Mr. BECK. Will the gentleman yield?

Mr. BLOOM. Yes.

Mr. BECK. Leaving aside all these questions of detail about franking, and so forth, does the gentleman think that the sacred memory of Washington is really added to by the breadth of a hair by making him an advertising medium and selling him to the country for the exploitation of shrines—whatever they are—as though it were Pepsodent tooth paste and not the memory of the greatest man who ever “lived in the tide of time.” His memory is so endeared to the American people that only a proclamation from the President was necessary. Was it necessary to commercialize the most sacred name in American history by trying to sell him to the people, who loved him in their very hearts without any propaganda. [Applause.]

Mr. BLOOM. I will applaud that statement myself, but if the gentleman had had the experience in the last few years that we have had with reference to what the people do not know about George Washington, then I do not think he would have made the remarks he just made. [Applause.] I will say this: The trouble is that the people of our country to-day imagine that everyone knows everything about George Washington, but that is not so. I will take the gentleman's own State of Pennsylvania. The committees appointed in the cities and towns of the State of Pennsylvania to celebrate, according to the plans laid down

by this commission, number 2,306. Two thousand three hundred and six cities, towns, and villages in your State of Pennsylvania. Remember, sir, there are only 569 cities, towns, and villages in Pennsylvania with a population of more than 1,000, and yet we have over 2,000 of the smaller villages and all of your large ones that are anxious for this information regarding the life of George Washington and the history of our country.

It is all right for the man who has had opportunities in the city and of a college education and it is all right for those people who live in the big cities to say that they know all about Washington and that it is undermining, it is commercializing and degrading the life of Washington and the life of our country to get out this commercialized material. But I claim it is not commercialized material that we are putting into the small towns and villages. It is a history of the life of George Washington that has never been given before. [Applause.] Let me give you another list. The committees appointed by fraternal and patriotic organizations in the State of Pennsylvania are 2,640. The committees appointed by religious organizations are 1,194. The Federation of Women's Clubs contacted are 570 and other women's organizations contacted, 874.

The farm groups of Pennsylvania contacted are 1,437. The Scout group, 3,967; the labor group, 2,135; the music clubs, 128; then we have contacted with the Braille School for the Blind. Why should not we give the blind children the same opportunities of studying the history of our country as the seeing children? [Applause.] You have forgotten that, sir. Now, I will tell you something else about your State. Schools and colleges contacted, 1,618; State and county superintendents, 67; public libraries, 283; professional libraries, 365; the number of newspapers using mat service, 122; the number of pieces of literature mailed into your State up to the present time is 291,955. That is how anxious your people are to get this information.

Mr. BECK. What the gentleman has said only confirms my deep regret that pamphlets have been sent out by the Bicentennial Commission so inaccurate and superficial that they refer to James Madison under the name of John Madison. In addition to that, and what is more to the point, this literature stated that Washington had received the largest salary ever known in American history, or words to that effect, when the fact is that the great general and statesman refused during the war and as President to take one penny beyond his expenses.

So I am sorry that so many of the people in my State, in which Washington spent so much time, have had the misinformation as to whether Washington served for his salary or whether James Madison was improperly named John Madison.

Mr. BLOOM. I would like to ask the gentleman from Pennsylvania, if he had that information before to-day, why he did not write the commission as soon as he found it out, notifying us that we had made these mistakes? Now I will ask the gentleman from Pennsylvania this question. Does the gentleman believe that Dr. Albert Bushnell Hart or Doctor Fitzpatrick or any of the great historians who are working so hard with this commission would use the name John Madison instead of James Madison and believe they were not writing about James Madison? It was a typographical error and was immediately corrected. Mistakes will happen, and I will say to the gentleman from Pennsylvania that I defy him to go through those pamphlets to-day and find a mistake. It can not be done, sir. [Applause.] When the gentleman found this out he should have written to us.

Now, let me tell you something about Washington receiving a salary. I hate to argue with this gentleman, because he knows so much and I know so little, but there is one thing I do know. I know about George Washington. [Applause.]

The act was passed after Washington had taken the oath of office, and the act provided that the President of the United States should receive a salary of \$25,000 a year, and Washington thought that he could not refuse to take the salary because he did not want to establish a precedent so

that future Presidents of the United States would think they had to refuse to receive any salary as President of the United States; and therefore he said, "I will do this. I will take the salary and use it for expenses." Well, that is what everybody else does, I believe—takes his salary and uses it for his expenses. [Laughter and applause.]

Mr. BECK. Will the gentleman yield now?

Mr. BLOOM. Wait a minute. I refuse to yield further now.

Mr. JOHNSON of South Dakota. Will the gentleman yield for one question?

Mr. BLOOM. Just a minute. I hope the gentleman from Pennsylvania [Mr. BECK] will not crowd me too much on the history proposition.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOWARD and Mr. JOHNSON of South Dakota rose.

Mr. BLOOM. I yield first to the gentleman from Nebraska.

Mr. HOWARD. The gentleman is listening to me now. I am sure that every Member of this House has been gratified and some of us astounded by the ability of the gentleman to answer every question propounded to him on the floor here to-day. Now, just one more question, please. From the enormity of the gentleman's knowledge, will he quote us some figures from the special election being held in New Hampshire to-day? [Laughter and applause.]

Mr. BLOOM. Mr. Chairman, may I ask that those remarks be stricken from this statement, because I do not consider that a relevant question.

I now yield to the gentleman from South Dakota.

Mr. JOHNSON of South Dakota. May I say to the gentleman that I have rather enjoyed the facetious debate, but I want to ask him a serious question. The people of the United States and the Congress of the United States have definitely determined that we are going through with this bicentennial celebration, have they not?

Mr. BLOOM. They have.

Mr. JOHNSON of South Dakota. Does not the gentleman think it would be just as well to forget the levity in much of this debate and proceed with the appropriations, so that the gentleman can go ahead with his business and perform the work?

Mr. BLOOM. I thank the gentleman. [Applause.]

Mr. ABERNETHY. Mr. Chairman, I do not want to unduly delay the House, but I took occasion the other day, being a new member of the Appropriations Committee and having seen and heard a great deal about the bicentennial celebration, to visit the office of Mr. Bloom down in the Washington Building. I was astonished at the magnificent manner in which this work is being conducted.

I was one member of the Committee on Appropriations who would have been willing, and I am willing now, instead of giving him the \$250,000 to vote for \$500,000, because I think this is one of the greatest and most constructive pieces of work that has been done in this country for many generations, and if there was ever a time when our people should be taught patriotism, it is now.

You may say what you please about my friend Bloom. We on our side of the House had nothing to do with his appointment. He was appointed by the Republicans of the House, and at their suggestion he was appointed along with other eminent citizens who have since dropped this whole matter. At his own expense and without any cost to the Government whatever he is giving it his entire time and attention; and I tell you, my friends, he is pulling off, in my judgment, the biggest job that has been done in the United States in many a day, and I think we ought to applaud him heartily for it. [Applause.]

Mr. GUYER. Mr. Chairman, ladies and gentlemen of the committee, I entered the House on December 1, 1924. I

took the oath as a Member with others who, like myself, were filling unexpired terms. Then the House adjourned. The next morning the first thing on the desk of Speaker Gillette was a joint resolution of the Senate and the House appropriating \$10,000 for the purpose of organizing a commission to take charge of the celebration of the two-hundredth anniversary of the birth of George Washington. In my opinion no money has been appropriated since I have been a Member of the House which will so profoundly influence the future of this country—the country which rose and flourished by reason of Washington's leadership as a soldier, statesman, and unselfish patriot.

The last thing I ever expected to do here was to eulogize and praise a Tammany Congressman [laughter]; but to-day I want to pay a tribute of deserved approbation to the gentleman from New York [Mr. Bloom]. He has contributed to this celebration his time, money, and his preeminent executive ability until the whole Nation is aflame with patriotic fervor and grateful remembrance of him who was "first in war, first in peace, and first in the hearts of his countrymen." [Applause.]

This celebration would serve its purpose and would be worth all it cost if some Members of this House learned more about George Washington. Yesterday a gentleman said upon this floor that "the really patriotic citizen is bound to maintain that had George Washington never lived we would have had the great American Republic." There was not a time in the progress of the Revolution, from Bunker Hill to Yorktown, that it would not have broken in two like a rotten stick without the leadership of his soldiery, his wisdom, and his incomparable character. Without his Jovellike judgment and his statesmanship its Constitution could not have been written, and when written it could never have been ratified without the power of his influence. [Applause.]

Again I want to congratulate the gentleman from New York [Mr. Bloom] for his patriotic services in placing this matter before the American people and for the genuine enthusiasm it has aroused in their hearts. If Mr. Bloom should remain in the House 40 years he would not, in my opinion, have such an opportunity for constructive and creative statesmanship as is presented in his work on this commission. Into his hands has been placed the power to drill into the mind and the soul of the childhood and youth of the United States the exalted principles and policies that he put into the solid foundation of our governmental institutions, the supreme and superlative grandeur of the great man whose image looks from yonder canvass and dominates this historic Chamber. I want again to compliment him for his good work and to add that I do not think that he or any other Member of this House could have done anything that will tell more in the future of our country and its history than these nine months of study of the life, character, sacrifices, and services of George Washington. [Applause.]

Mr. BYRNS. Mr. Chairman, just a word. Of course, we all recognize that the amendment offered by the gentleman from Massachusetts would entirely destroy the purposes of this celebration. It is expected that the celebration shall start on February 22 and be concluded on Thanksgiving Day of the same year.

The amendment, as I recall it, would stop everything on February 22. And may I say this as a member of the commission: I have had an opportunity to know something about what the gentleman from New York has done as director of that commission. I know that this celebration never could have been made a success, it never could have reached the proportions which you and I and other patriotic citizens want it to reach, if it had not been for the untiring, patriotic, and zealous service of the gentleman from New York [Mr. Bloom]. He has not accepted a dollar as salary, he has not drawn a dollar for his own expenses. On the contrary, not only has he borne those expenses which have devolved upon him as director of this commission but he has paid from his own pockets doubtless thousands of dollars toward making this great celebration a success. [Ap-

plause.] I think the thanks of Congress and the thanks of the American people are due him for the distinguished and able service he has rendered in making the celebration what we hope and expect it will be—a great success, one worthy of the memory and the services and accomplishments of the Father of his Country. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes none, noes 250.

So the amendment was rejected.

The Clerk read down to and including line 7, page 8, of the bill.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MOREHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6660, the first deficiency appropriation bill, and had come to no resolution thereon.

THE PRESIDENT'S MESSAGE

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMNECK. Mr. Speaker, this is no time for acrimonious, partisan debate. Rather, it is a time that calls for a high order of patriotism, broad statesmanship, intelligent and fearless leadership. These qualities are present more abundantly when partisanship is absent.

Conscious of all this, I can not refrain from calling attention to the politics injected into the President's message by implication and evasion. It is not my purpose to criticize the President for the things said in his message so much as the things left unsaid.

As a matter of fact, the major portion of the President's message, in so far as it applies to relief measures, meets with my hearty approval and will receive my sincere, earnest support. However, I may say in passing that I am opposed to any increase in taxes that will affect the pocketbook of the average American citizen at this time.

President Hoover blames our present economic situation upon world conditions. In doing so he sidesteps a confession of failure, while appealing to the country for a renewal of faith.

There are two sides to the question of responsibility for existing conditions. The President has stated one side. The other is on this side of the seas. It involves the failure of prohibition, tariff legislation, and failure of the President and the Seventy-first Congress to act, when proper action would have very largely averted the situation we are now seeking to cure.

Mr. Hoover can not excuse Mr. Volstead, Mr. Hawley, Mr. Smoot, Mr. Grundy, Senator Watson the prophet, and himself from their responsibility in contributing to our present distressing situation.

If silence gives consent, prohibition has Mr. Hoover's approval. It is ignored in his message as an issue. He wastes no words in extolling the virtues of the Hawley-Smoot tariff law but is opposed to congressional revision on the ground that "it would disturb industry, business, and agriculture." He then adds: "It would prolong the depression."

Great Heavens! What precipitated it? Or, at least, intensified it in this country? There is but one answer—prohibition and ill-advised tariff legislation; the one with its hypocrisies and absurdities—the other with its high rates, inequalities, and injustices.

The President displays a fine, discriminating sense of humor in favor of the G. O. P. and its policies in his recommendation that tariff rates be not disturbed. However, he will not fool the students of recent political history, or American economists, who study cause and effect.

Naturally, they would be inclined to contrast what has happened since rates were raised with what would happen,

according to Mr. Hoover, if rates and high tariff walls were to be lowered.

The people of the country protested the passage of this tariff legislation. When it failed to "provide a job for every man" as Mr. Hoover promised it would do, the people registered their disapproval in thunder tones at the congressional elections of 1930.

The President, in his message upon the state of the Union, omitted any and all reference to the greatest menace confronting the American people to-day. I refer to the concentration of great wealth in the hands of the few.

This great evil is the result of favoritism in tariff legislation and the special privileges conferred upon the gigantic trusts of the country and other combinations of great capital.

These so-called "infant" industries grow in strength and power and influence, but they never grow old. They are "infants" still. When their interests are threatened in some proposed legislation they don their swaddling clothes and storm the Capitol.

The President, I notice, recommends a change in the anti-trust law. What is his recommendation? He says:

Particular attention should be given to the industries founded upon natural resources, especially where destructive competition produces great waste in these resources and brings great hardship upon operators, employees, and the public.

In this connection, he refers to the "continued demoralization in the bituminous coal, oil, and lumber industries."

I think his suggestion a good one, but why did he not recommend also that the law be strengthened to preserve human rights, including equal rights and equal opportunity in the pursuit of happiness? They have all been destroyed by the power of might under the favoritism bestowed and failure to enforce the provisions of the antitrust law in restraint of trade.

These evasions are not only countenanced but encouraged in tariff legislation. The Hawley-Smoot tariff law is the most outstanding example in all history of these inequalities and injustices.

The small business man, whether manufacturer, merchant, or whatnot, is crowded to the wall. Labor is adversely affected. The concentration of great wealth in the hands of the few is directly chargeable to the conditions I have indicated. A situation such as this in free America is a crime against society. It seems to me that human rights and human life should be put above the wastes of our natural resources.

I do not like to repeat, but the statement made by me a few days ago to the effect that 3 per cent of the people control 97 per cent of the wealth of the country, is more apropos to this discussion than in the sense it was used in previous remarks bearing upon another subject. This, in its last analysis, means that 3 per cent of the people control the destinies of the other 97 per cent. This is something to ponder over in connection with any program to improve our situation.

If this is a government of the people, by the people, and for the people, why not enact laws that will enforce the rights of the people? The people could do this themselves if they were to resort to the old-fashioned "town meeting" where all great public questions were discussed and settled in the earlier days. The right of assembly and right of free speech, I believe, still exist. These questions, of course, will have to wait until Congress has applied the remedies that will effect a cure of present conditions.

Metaphorically speaking, 10,000,000 people are storming the portals of the Capitol at this very minute. What are they doing? Brushing away the unbidden tear, while pleading for some prompt, decisive action to improve their situation. Their appeal should be heard and heeded. Their prayer, spoken in unison, should be answered.

They are not asking much—simply the substitution of work, and the peace that goes with it, for worry. A grave responsibility rests upon us individually and collectively to measure up to this emergency. The people are looking to Congress hopefully, even confidently. We must not disappoint them. One of my constituents asked me while I was home, "What progress are you making?" I told him we

had complied with the President's request for an extension of the debt moratorium. This was his comment: "That's fine—we come next."

There are other existing evils in this country which need attention. We have too much politics in legislation, too much Government in business, too many commissions, too much delegated authority, executive and legislative, too much waste, and too little economy.

Few of these commissions serve any purpose. The most of them could be abolished without impairing the public service. They are largely a convenience for passing the buck and to save the administration embarrassment when an ugly situation arises.

The Wickersham Commission cost \$500,000 and was not worth a nickel. The Tariff Commission serves no purpose. The Farm Board is in disrepute and so on, all down the line. Our situation is so terribly bad that Mr. Hoover has recommended seven different remedies, all to be used, which, he thinks, may effect a cure.

The most urgent need of the country at this time in the consideration of our economic situation, with a view to a permanent cure, is the service of the most celebrated surgeon it is possible to command, to perform some major operations on the existing tariff law, nation-wide prohibition, farm-relief legislation, and other matters too numerous to mention.

There is much in Mr. Hoover's relief program to commend it to the favorable consideration of Congress, which should approach it in a nonpartisan, cooperative spirit, with only the welfare of the people in mind.

There is in your hearts and mine, I know, a sincere, earnest desire, and purpose to work out a satisfactory solution of these grave problems. We may entertain widely divergent views and even give them vehement expression in debate, but in the end I am certain we will get together and accomplish the thing the people are confidently expecting.

It is our first duty to relieve the pressure of existing conditions. That is the purpose of the program before Congress. With it out of the way we should immediately follow with legislation of a positive, definite character to restore prosperity upon a sound basis that will abide.

More important than any of the international conferences scheduled to be held soon, it seems to me, would be one of world leaders to study, discuss, and agree upon some economic plan that would be beneficial to all nations and harmful to none.

THE ECONOMIC SITUATION

Mr. WOOD of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing therein a speech delivered by the Secretary of War on December 16.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOOD of Indiana. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. Patrick J. Hurley, Secretary of War, before the Republican National Committee, Washington, D. C., Wednesday, December 16, 1931:

The present economic situation has arisen from various causes, some of them of our own making. Most of them, however, have originated in other nations and have swept upon our country from abroad. Most of them are a direct legacy of the World War. The result is that our country has been facing a situation not of its own making that has challenged the strength of our economic system and our Government.

From the very beginning the President has had a program not only for the meeting of temporary emergencies but for the future. He has recently submitted to the Congress a definite outline of his economic program to meet the present situation as it presents itself within the confines of the United States.

The 12 points contained in that program have been formulated after full and complete discussions not only with his official advisers and the leaders of both branches of Congress but with leading citizens from every walk of life in this Republic.

There has been much discussion of international affairs where they affect directly the welfare of the citizens of the United States. But aside from international matters the President, as I will relate to you, has continuously led in the handling of our domestic problems and has recently presented to Congress the greatest domestic economic program ever presented to Congress by a President.

In the 70 years of its existence the Republican Party has frequently been called upon to face a crisis, and each time it has risen to the occasion to the satisfaction of the American people.

Every government in the world has faced crises in the past two years. Many of them have undergone political revolution. Most of them have undergone economic revolution. The mightiest of them have had to change their basic monetary standards. The United States has unquestionably suffered from this world-wide situation, but throughout the entire period it has maintained its standards, its economic system, and its political institutions without impairment.

Through all this the people have maintained their confidence in the policies and practical ideals of the Republican Party. A Republican President has withstood all assaults that were designed to destroy the fundamental principles of this Government. There were those who attempted to put America on a dole system at a time when a mighty empire had been dragged to its knees and to the very brink of economic chaos by such a system. It was the President of the United States and the Republican Party who prevented this Nation from being put on a dole.

It is singular enough that the first speech attacking the administration's economic program by the new Democratic Congress advocated the dole system.

This Nation has passed through 15 depressions in the past century. Never in our history has a President been called upon to direct the Nation's commerce, industry, and banking; to create jobs for millions; to provide funds for the care of the unemployed; to lead in the mitigation of the effects of the depression; to mobilize public opinion and the economic forces of the Nation for its recovery. All these things have been done by the present Chief Executive of the Nation.

Throughout the depression the President has been doing the work that should properly fall upon the leaders of industry and commerce and banking.

In all previous disturbances finance has had its intrepid leader or leaders. To-day we hear leaders of finance shouting for leadership but presenting very little evidence of that quality in their own establishments. They fall back on the President of the United States—throw all their problems on to his lap and throw up their hands and shout "Save us."

From the very beginning the President has sought to maintain the American standard of living. He procured immediately an agreement on the part of the workers not to strike and on the part of the employers not to cut wages during the depression. His interest has always been in the standard of living of the worker. The workers of the Nation recognize the leadership of the President. Most of the industrialists and leaders of finance also recognize his leadership. It is his purpose to solve the present problems not in the interest of any special group but for the welfare of all the American people.

At the beginning of the depression, when labor was first affected, the President clearly saw that employment could not be increased in the production of consumable goods. We already had a surplus of consumable goods. He placed his finger on the only point where labor could properly be expanded. He inaugurated a program for public construction, including the improvement of navigable streams, flood control, public roads, and public buildings. This program anticipated the future. He requested States, municipalities, counties, and private concerns to join in this construction program. A great many of them responded. As a result, this country is now engaged upon the greatest internal-construction program in its history, and literally millions of men have been employed at periods during the past two years on this construction work.

To further strengthen the position of American labor the President stopped immigration by an Executive order. At least 300,000 people who would have involuntarily added to the army of unemployed have been kept out of the Nation.

The President organized a committee and called upon every community in the United States to take care of its unemployed by individual efforts. In nearly every community of the Nation this call has met with an overwhelming response. As a result, no one will go hungry or cold, and the advocates of the dole and other impractical theorists have been defeated.

In my opinion, the dole system would have been adopted if it had not been for the efforts of the President of the United States.

While he was fighting the battle of the laborers the President's interest in the welfare of the farmers was not diminished. He went to the assistance of those farmers in 21 States who were afflicted by the drought. A system of loans was provided to enable them to rehabilitate themselves. This has been done, and it may be a surprise to those who opposed the system to know that a considerable portion of these loans has already been repaid.

The surplus of farm goods produced in this country had always heretofore found a market abroad. The depression, which affects other nations more severely than our own, has greatly restricted the market for this surplus. The Farm Board and the cooperative agencies have, on the part of the Government, been holding a great amount of the surplus for the return of our markets and the increase of consumption. The Farm Board's policy in steadying the price of agricultural products has saved the farmers billions of dollars and prevented the failure of thousands of banks dependent on agriculture for their stability.

At the suggestion of the President, southern banks joined the Farm Board for the better handling of the surplus produced by the cotton growers of the South.

But it was not agriculture and labor alone that received the assistance of the administration. The depression had undermined credit. Bankers scrutinized requests for loans more closely and turned down applications that in normal times would have been granted. Stagnation of business ensued. Again the President gave his helping hand. He directed the mobilization of banks in a credit pool of \$500,000,000. This banking pool is not a Government institution. It was formed by the joint action of the banks under the direction of the President. It was the President who put life and vigor into the project. It has restored confidence in many banks, provided a means by which funds can be obtained on legitimate assets, and reestablished a more normal flow of credit.

In addition to this the President has led in the organization of the President's Conference on Home Building and Home Ownership, designed to provide credit for those who desire to build homes—to stimulate the building industry and to restore confidence.

Realizing that we must depend on the other nations of the world to consume surpluses, the President has assisted—in fact he has provided the leadership—in bringing about the London naval treaty designed to stop competition in arms and to allay the suspicion of nations.

He has settled the French debt and thereby removed a source of friction between us and one of our greatest neighbors. The debt had been a subject of acrimonious debate for more than 10 years before the President came to office.

He intervened to save Germany from catastrophe.

He has directed policies toward Latin America that have allayed the fears of those countries and have restored the confidence of the South American people in the good intentions and honest friendliness of the United States.

The result is that representatives of the governments of South America, the President of Mexico, the Prime Ministers of Great Britain and France, the representative of the Italian Government, have, one by one, made their way to the White House to seek the views and counsel of the President of the United States.

Our opponents, the Democrats, seem to see in all of these things something approaching "entangling alliances." If they would criticize intelligently, they would say that we became entangled with Europe about 15 years ago; that this entanglement came about under a Democratic administration; that the Republicans stopped the Democrats from further entangling us in Europe by defeating our entrance into the League of Nations. The debts the nations owe the United States were made by Democrats. The efforts of every Republican administration since the war has been to disentangle the United States from the European situation. The Hoover administration has not made one political commitment to any nation of Europe. It will make none.

The visits of these leaders of other nations to the United States have not been for the purpose of military honors or political agreements. They have been made for the purpose of seeking an understanding for common action in the maintenance of peace and the reestablishment of the economic stability of the world. We have not made and will not make political commitments to Europe. But the President has directed a plan that saved the economic structure of more than one nation in Europe. He intervened in these matters not only in the interest of humanity at large but for the benefit of many of those who objected to his action at home. I admit that his intervention in the economic situation in Europe was also for the selfish interest of the United States. No great nation in the world can collapse without bringing its repercussions of more unemployment, more hardship on the farmers, more bankruptcy in business in the United States. The President has not suggested any cancellation of international debts. What he has done to stabilize the economics of other nations has been done because it was helpful to our domestic situation. I mention these international matters to indicate to you that the leadership of the United States is recognized in every part of the world as the most powerful for the promotion of peace and good will and in pointing the way to economic stability and happiness. All of this must be the background to the future welfare and prosperity of our own workers, our own farmers, our own commerce and industry.

The history of the nations of Europe indicates that the economic structure of the Nation—the commercial stability of the Nation—has invariably followed the fiscal condition of the Nation's Treasury. The President has sought to keep the Treasury of the United States in a strong position. Since the beginning of the depression there has been a decrease of approximately 40 per cent in tax receipts. The tax system of the Federal Government is based largely on profits. That is a serious weakness in the stability of finances of the Government in periods of stress and depression.

In addition to this decrease in income, Federal expenditures have been increased on public works to provide employment during the depression. The present deficit in the Treasury was not created by this expansion of public measures alone. Measures vetoed by the President and passed over his veto by Congress contributed their share.

The President is opposing raids on the Treasury with clear-minded determination. Almost anyone can devise a plan for taking money out of the Treasury. No one has yet devised a plan for putting money in the Treasury except by taxation. In order to maintain the sound position of the Federal Treasury, there must be—as you have already been told in the President's message—at least a temporary increase in taxes. On my recent visit to New York I was advised that if the President of the United States

would propose an increase in taxes, it would mean his defeat for reelection. My answer to that was that the President of the United States is far more concerned with the welfare of this Republic and its 123,000,000 inhabitants than he is with his own political future. He will maintain the strength of the United States Treasury regardless of the effects his efforts may have on his own political future.

We should all understand that this depression can not be overcome by the Government alone. The Government, of course, should provide national leadership, but the depression can be overcome only by the united efforts and the unfaltering courage of all the American people. No patriotic organization—no political party—no one official or individual has the power or the capacity to restore normal conditions. That can be done only through the united efforts and courage of all the individuals who compose the citizenship of the United States.

We are sometimes prone to forget that government is not an end in itself, but a means to a richer and more secure life for individuals. The government is merely that system of ordered social arrangement which releases the energy and the genius of the people for living, building, working, and growing; for invention and discovery; for the development of the mind and the enlargement of the spirit. Our Government was established to serve free men and to protect them in their individual rights, to promote education, to overcome intolerance and crime, to eliminate as far as is humanly possible material poverty, to maintain equality of opportunity, and to provide for a just distribution of the Nation's wealth. They began on this coast, struggling colonies. They bullded a Government. They followed out the great river valleys, cutting their way through the forests, across the deserts, over the Rockies, down the slopes to the Pacific. Under that system of individual enterprise and individual courage they carved out and conquered a new continent.

There are those who say that our economic system is obsolete, that it should be discarded. It has served in the last 150 years to build the mightiest economic community on earth. It is as vital to-day as it was when our forefathers started across this continent. It is true that it is not perfect. There is nothing human that is perfect. But on that system for 150 years the Nation has grown and prospered. The problem has been to preserve it, not by theorizing, not by panaceas, but by meeting emergencies as emergencies.

There are weaknesses in our economic system. The system has been improved from time to time by the sober thought and will of the American people. The system is worth saving. The President has sought to prevent its destruction in time of stress.

One of the weaknesses of the system is the overconcentration of wealth in the hands of a few individuals. The preponderance of the Nation's wealth is, of course, still in the hands of the people whose income is \$4,000 per annum or less. Notwithstanding all this, we have concentration of wealth and continuances of great estates that to some extent weaken our economic structure.

We have yet to devise a plan that will provide for a more equitable distribution of the Nation's wealth, but in dealing with it, we should be careful not to destroy the initiative of the American people, not to dampen the hopes and aspirations of the individual. We should bear in mind that the success of the United States is the sum total of the achievements of its individual citizens. Changes should be made only after the sober thought and the well-considered expression of the will of the American people. In making changes we should remember that we are a great nation because of the individual achievements of its citizens, and no change in our economic system should be made that will destroy the hope or the aspirations of the individual.

Some opponents of the administration have said that the measures proposed by the White House are all emergency measures. That is true. The depression itself is an emergency. The President has sought to meet it as an emergency, rather than by sacrificing in times of stress the fundamental principles of the American system of economics and the American Government.

The responsibility in this period of distress belongs to the Republican Party to the extent to which it controls the Government. It belongs to the Democratic Party to the extent to which that party controls the Congress. The Republican Party faces the issues as they are presented without fear or hesitation.

It is true that the Republican administration and the President are being severely and unjustly criticized, but these things are not unusual in times of stress. There will always be those who will find it easier, because of their own lack of capacity, to attack the chosen leader of the people than to offer constructive criticism which would help in meeting a serious situation. Abraham Lincoln was confronted by that same class of people during the stress and turmoil of a bloody war, when his great mind and heart were anguished by the suffering about him. He responded to his critics:

"I shall not try to read, much less answer, all the criticisms of me and my associates. Else this office might as well be closed for any other business."

On another occasion, when beset by these critics, when told, if he would do those things which his conscience and judgment told him he must do to maintain the Nation, he would not again become President, he replied to his critics:

"I do the very best I know how; the very best I can; and I mean to keep on doing so until the end. If the end brings me out all right, what is said against me won't amount to anything. If the end brings me out wrong, ten thousand angels swearing I was right would make no difference."

Regardless of unjust criticism—regardless of the source from where it comes—the chief purpose of the Chief Executive of this Nation is to bring this Nation out all right. I am a partisan. I believe in partisanship. I am glad we have two great political parties. Through them the people are given the opportunity to understand not only the capacity but the policies of those who are charged with the leadership of the United States. But in times of stress there have always been those who are greater than either Republicans or Democrats. They are Americans who are striving for the welfare of the Nation and its citizens, regardless of personal or partisan politics. Up to this hour every emergency that has confronted the Nation during this period of stress has been promptly, courageously, and intelligently met by the President.

The President has now sent to Congress a well-designed, quite understandable, and sound economic program. He has said that if Congress will enact that program it will go far toward restoring conditions within the United States to normal. The President's program is altogether the most outstanding economic program ever presented to any Congress. Our Democratic friends have neither accepted nor rejected that program. The Democrats have offered nothing in lieu of it. The Democrats have no program. They are probably waiting to get all of the President's ideas to use them in an attempt to set up a program of their own. We hear the Democrats mumbling a lot about "fiddling while Rome burns," but notwithstanding all of that kind of talk, the President's program is before Congress and if there is any fiddling being done during the conflagration, Congress is doing it.

THE MORATORIUM

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROWE. Mr. Speaker, ladies and gentlemen of the House, it is not my purpose to criticize the President of the United States. I concede to him the right to decide what, in his opinion, is the proper course to pursue. Furthermore I am determined to support the President in every way possible in an effort to regain our prosperity and restore our country to a sound economic basis. I desire to follow the leaders of our Government whenever possible and when, in my judgment, by so doing I can best serve the people that I have the honor to represent.

I desire further to lend my assistance to other nations, the nations of Europe, including Germany. I would not be a party to oppressing any nation and demanding "the pound of flesh."

When my country can afford to do so, I desire to see it lend a helping hand to aid foreign nations in times of distress. I would, when possible to do so, vote to extend credit to these same nations if and when possible without injury to the people of our own country.

On June 23 President Hoover wired me as follows:

You no doubt have seen my statement in Sunday's press of the proposals of the American Government in respect to postponement for one year of all intergovernmental debts. Inasmuch as the proposal is, of course, contingent upon action by Congress, and as the matter is one of national interest, having no partisan character, in that light I consulted before action the Senators and Representatives of both parties present in Washington and as many as possible who were accessible in the country. This list of generous support from Members was shown in the public statement referred to above. I regret that difficulties of communication rendered it impossible to contact with all Members of the Senate and House. I do not wish to press any Member for reply as to his views if he prefers not to give them at this time; yet if you are favorable to the proposal in the first paragraph of the statement above mentioned it would undoubtedly be helpful to the general situation if you could inform me thereof.

HERBERT HOOVER.

I immediately wired him as follows:

HON. HERBERT HOOVER,
President, Washington, D. C.:

I favor action by the United States which will prevent the collapse of the German Republic. I favor your plan, Mr. President, suspending payments of war debts to us, from France, England, Germany, Italy, Belgium, and other nations, if such action will help economic conditions in those countries and in the United States, on the following conditions:

First. The tax burden upon our own people should not be increased by such moratorium.

Second. We should be assured that such action will, in some measure, tend to relieve our own economic distress and unemployment.

Third. We should know that such action will strengthen the position of the United States in the coming disarmament conference.

Fourth. Foreign countries should guarantee to the United States that they will not take advantage of the situation by way of increased expenditures for armament.

Fifth. Our own people should be assured that such action on our part is not an opening wedge leading to the cancellation of war debts to the United States.

Sixth. The Government of the United States should assure our own people that the loss of income from debt payment for the coming year will not interfere with relief needed by our own citizens and should guarantee that, in this land of plenty and surplus food, no one shall starve or suffer from prolonged hunger.

From the wording of that wire you can see that I was not certain that I could support the moratorium proposed by the President. I desired to support the President, if I could do so and not thereby put additional burdens on our already heavily taxed people.

Much has been said concerning the ability to pay. That is a factor always to be considered. But how do you judge the ability to pay? I would compare their ability to pay by the way and manner of their other expenditures. If it be to pay an increase in salaries of government officeholders, if it be in the creation of additional government, if it be to create more armaments, then I would say they can be expected to pay their debts to us.

Let us investigate to see what we can find. In the Washington Post, Washington, D. C., under date of December 18, 1931, the Young plan advisory committee reported that Germany had increased her budgetary expense \$925,000,000 between 1926 and 1929, and of that amount added \$375,000,000 to salaries of her public servants. Should they not have pared down, when in bad financial condition rather than have increased the operating expense of government?

Again, let me refer to the record of the Ways and Means Committee. We find that the nations of Europe to whom we have given the moratorium spent for armaments and war preparations, in round figures, \$2,000,000,000 within the last fiscal year, while the total due us from those countries was \$252,000,000, approximately. Only \$1 of each \$8 spent for war purposes would have paid the loans due us this year.

I sensed this when I answered the President's wire, when I said that if we could have assurance that it would not allow the nations of Europe to further increase their armaments and war preparations.

Mr. Speaker, it was plain to be seen that it was an open attempt on the part of European powers to start a process of moratorium and delays which would ultimately result in complete cancellation of war debts due the United States.

Are we in position to grant the extension? Have we not already given more to Europe than we can afford? Are our affairs in condition to extend additional time and more credit?

It is repeatedly said we should aid Europe because we are rich and able to do so; but, in the light of conditions, are we? Are things well with us here? Last year our Government lacked some \$900,000,000 of balancing its budget. This year it will lack \$2,000,000,000 or more unless we add additional tax burdens. Our taxes and burdens of government are crushing us. I ask, What are we representatives in Congress going to say to the people back home when additional tax burdens are imposed upon them, in part due to the \$252,000,000 due us from Europe, which we so generously told the European nations they need not pay at this time?

I do not criticize the President. I think he was sincere in his purpose, but I do not believe he fully realizes the true conditions of our own country.

The farming population of this Nation to-day is in greater distress than has ever been known. Thousands of farmers are badly in debt, their farms are mortgaged, and they are in danger of losing their homes. I prefer to help our own people first. I stand ready to lend my assistance and give my support and my vote to legislation that will help our own country.

We are told there is distress in Europe, that there is much unemployment and unrest. The report of the Ways and Means Committee discloses that there are not nearly as many unemployed in England, France, and Italy as there

are unemployed in the United States, and that there are nearly as many unemployed in the United States alone as in England, France, Italy, and Germany combined.

Immediately after June 20, 1931, when the President consented to the moratorium, the European nations began drawing their credit balances from the United States and within six weeks had withdrawn \$700,000,000 in gold. That tended to show what we could expect from Europe in return for our generosity.

Some of the smaller nations of Europe borrowed from us since the World War. Several hundred millions are represented by those loans. This moratorium covers them also, and they, too, even without asking time extension, were granted a moratorium.

What of our boys who went overseas in the great struggle? They offered their all, many were maimed, crippled, and gassed, and many made the supreme sacrifice, and to-day lie in lonely spots in France, Belgium, Russia, and other places. At home the parents, relatives, and loved ones were skimping, saving, and buying bonds on which our Government pays an average of 4 per cent interest per annum. When the bonds are due our Government then pays the face value of the bond to the owner. Much of this money was loaned to Europe to pursue the war, and those countries were to repay us in full with interest.

Instead of paying us in full, England, after scaling down at every possible place, consented to pay 80 cents on the dollar at the rate of $3\frac{1}{2}$ per cent per annum for 62 years which never in fact pays the principal.

On the same terms France consented to pay 50 cents on the dollar and pay $2\frac{1}{2}$ per cent per annum. Italy consented to settle at 27 cents on the dollar and $1\frac{1}{2}$ per cent per annum. None of them in fact pay anything on the principal by this method. Considering all these things how can we face the boys who went over there, when we consent to additional extension of time, which in my opinion means ultimate cancellation of the war debts due the United States?

Ladies and gentlemen of the House, this year's moratorium is only the beginning of a carefully concocted plan whereby Europe hopes to have these debts canceled. Already there are indications that a moratorium for two additional years is to be asked for, before this moratorium has expired. I have no doubt that the real plan is to cancel Europe's debts to us, but in turn they will never cancel the reparations debts of Germany and time will reveal that Germany will be compelled to pay every dollar she owes the other nations of Europe, even though we would cancel the debts the other European powers owe us. Germany should be given an opportunity to rehabilitate. The nations of Europe should be lenient with her.

Do we not have plenty at home to consider? Banks by the hundreds have closed their doors in almost every State in the United States. In every congressional district and in almost every city we have had bank failures. Should we not be more concerned about our own banking interest than the banks of Europe? Thousands upon thousands of people in our own United States have lost all they have by the closing of banks in their own communities. Our first thought should be for our own country and our own citizens.

INTERNATIONAL BANKERS

Moreover, it has developed that our international bankers have had a hand in assisting in securing this moratorium; you can see them showing their hand suggesting paring down the amounts due us from Europe and suggesting that it would be a good thing to cancel the war debts or at least scale them down. But do you hear of their offering to cancel the loans they have made? Do you see them suggesting a moratorium on the loans they have made to European countries? No; indications are that they desire to see the Government cancel the obligations of Europe so that they, the international bankers, can better collect their loans. I have no objection to those bankers getting what is due them, but I can never lend myself to any concoction whereby special favored interests will be favored at the expense of the common people.

DISTRESS AT HOME

To-day our own country is in distress. Millions of laboring men are walking the streets and highways, their wives and children are hungry and cold. Countless numbers are losing their homes. Our farming population, with farms mortgaged, our banks and farm-loan banks requiring and demanding payment of the loans, and many can not possibly pay and through no fault of theirs. Because they can not pay they are losing their farms and homes.

Thousands of merchants are going into bankruptcy, losing their life's savings. Thousands of banks failing, thereby taking the life's savings of millions of our citizens.

With distress and suffering everywhere in our land, I can not in fairness to myself and my constituents vote for the moratorium. If we were in financial condition to aid Europe, it would be different, but we are not. I can not lend myself to any program that will take from our own people when they are so badly in need. I am for the United States first and always. I could not consistently and in fairness vote for the moratorium.

I am convinced that soon most every one will be convinced that the interest of this Nation of ours would have been better served had the moratorium not been passed. In my opinion, time has demonstrated that the moratorium designed to relieve England, France, Italy, and other nations from payment of their debts to us for a period of one year, and thus relieve Germany of her debt payments for a like period, has not benefited Germany to that extent claimed for it at the time it was proposed by the President.

BRIEF SUMMARY—SOME REASONS WHY I CAN NOT SUPPORT THE MORATORIUM

First. The settlements of debts of Europe to us were far below what they owed us, and the rates of payments they make, which is principal and interest combined, is much less than the interest we pay on our bonds. In the true sense they will never pay the principal.

Second. Germany increased her budgetary expense more than twice what her yearly reparations were—\$925,000,000. She increased salaries of her public servants \$375,000,000.

Germany loaned vast sums to Russia. These were contributory reasons for her inability to pay, and we are not responsible for these things.

Third. Eight small nations of Europe owed us \$410,000,000. These debts were not at all related to the war. Those countries were also included in the moratorium.

Fourth. The nations given the moratorium spent during the fiscal year for armaments and war preparations \$1,986,000,000. Had they reduced those expenditures one dollar for each eight spent for those preparations for war it would have been nearly enough to have paid us the \$252,000,000 due us this fiscal year. We in turn are compelled to reduce our preparations for our national defense and security and permit Europe to increase hers.

Fifth. With our Government lacking from one to two billion dollars a year of balancing its Budget, with even Government bonds under par, with distress on every hand, we need this money to relieve our own distress.

Sixth. Our present extremely high taxes will be increased due in part to not receiving the money due us from Europe.

Seventh. Europe drew \$700,000,000 in gold from these United States within six weeks after the President assured the European nations the moratorium would be granted. That amount was enough to have paid this year's debts to us nearly three times.

Eighth. Europe had already cost us thousands of lives—the finest manhood in the world. Many thousands more were maimed, crippled, and gassed. We have already spent more than \$40,000,000,000 for war purposes of the money of the taxpayers of the United States. We are paying more than a billion dollars a year for our soldiers. We have increased our yearly expenditures over \$600,000,000 to pay the interest on our bonds. When we have something to give, let us give it to our own people.

Ninth. We have already given Europe too much. I will vote to help America and her institutions first. I am thoroughly convinced that very soon the people of this Nation

will realize that their interests would have been better served had this moratorium not been passed.

Tenth. I have carefully studied reports of the Ways and Means Committee; I have listened to debates on the floor of the House, and I have kept an open mind. I could not, after getting the facts as I saw them, support the moratorium.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Wednesday, January 6, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

345. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill authorizing and directing the Comptroller General of the United States to credit the account of C. N. Hildreth, jr., former collector of customs for collections, district No. 18, with \$89.10; to the Committee on Claims.

346. A letter from the Secretary of War, transmitting a report dated December 29, 1931, from the Chief of Engineers, United States Army, on the studies and investigations of the beach erosions at Fort Fisher, N. C. (H. Doc. No. 204); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

347. A letter from the Secretary of War, transmitting a report dated December 31, 1931, from the Chief of Engineers, United States Army, of an examination and survey of Conduit Road between the District of Columbia line and Great Falls; to the Committee on Military Affairs.

348. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the Legislative Establishment, House of Representatives, for the fiscal year 1932, in the sum of \$8,000 (H. Doc. No. 205); to the Committee on Appropriations and ordered to be printed.

349. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on preliminary examination and survey of Bayou Grand Caillou, La., and Bayou Lacarpe (H. Doc. No. 206); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

350. A letter from the Secretary of War, transmitting draft of a bill to authorize the settlement of certain claims against the War Department and to authorize and direct the Comptroller General to allow certain expenditures; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. H. Res. 87. A resolution providing for the consideration of H. R. 6662, a bill to amend the tariff act of 1930, and for other purposes; without amendment (Rept. No. 17). Referred to the House Calendar.

Mr. SMITH of Idaho: Committee on the Public Lands. H. R. 5484. A bill extending the provisions of the act entitled "An act to provide for the sale of desert lands in certain States and Territories," approved March 3, 1877 (19 Stat. 377), and acts amendatory thereof, to ceded lands of the Fort Hall Indian Reservation; with amendment (Rept. No. 21). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. H. Res. 38. A resolution to pay Mrs. Daniel Shea, widow of Daniel Shea,

late an employee of the House, a sum equal to six months' salary and an additional sum of \$250 for funeral expenses (Rept. No. 18). Ordered to be printed.

Mr. WARREN: Committee on Accounts. H. Res. 78. A resolution to pay Mrs. David L. Thomas, widow of David L. Thomas, late an employee of the House, a sum equal to six months' salary and an additional sum of \$250 for funeral expenses (Rept. No. 19). Ordered to be printed.

Mr. WARREN: Committee on Accounts. S. Con. Res. 2. A concurrent resolution to pay Anna Jarvis a sum equal to six months' compensation of the late Grant Jarvis (Rept. No. 20). Ordered to be printed.

Mr. SMITH of Idaho: Committee on the Public Lands. H. R. 4390. A bill for the relief of Melissa Isabel Fairchild; without amendment (Rept. No. 22). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NORTON of Nebraska: A bill (H. R. 6990) to repeal section 9 of the agricultural marketing act; to the Committee on Agriculture.

By Mr. BACHMANN: A bill (H. R. 6991) prescribing the procedure for forfeiture of vessels and vehicles under the customs, navigation, and internal revenue laws; to the Committee on the Judiciary.

By Mr. NORTON of Nebraska: A bill (H. R. 6992) to amend the Federal Farm Board act; to the Committee on Agriculture.

By Mr. SIROVICH: A bill (H. R. 6993) to create a Federal mortgage-acceptance bank; to the Committee on Banking and Currency.

By Mrs. OWEN: A bill (H. R. 6994) to amend section 3 of the rivers and harbors act, approved June 13, 1902, as amended and supplemented; to the Committee on Rivers and Harbors.

By Mr. HALL of Mississippi: A bill (H. R. 6995) to authorize the Secretary of the Interior to grant a moratorium on payment of construction charges on reclamation projects and on payments under Warren Act contracts and to defer charges past due and to make the necessary regulations to give effect to this act; to the Committee on Irrigation and Reclamation.

By Mr. SABATH: A bill (H. R. 6996) to create a National Relief Finance Corporation and provide credits for industries and enterprises in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. CROSSER: A bill (H. R. 6997) to provide capital at reasonable rates of interest in order to promote the establishment and ownership of homes by the people of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. COLTON: A bill (H. R. 6998) to authorize the addition of certain lands to the Manti National Forest; to the Committee on the Public Lands.

By Mr. CHINDBLOM: A bill (H. R. 6999) to provide for the establishment of a Coast Guard station at Waukegan, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. COLE of Maryland: A bill (H. R. 7000) for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md.; to the Committee on War Claims.

By Mr. SUTPHIN: A bill (H. R. 7001) to correct the status of transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who served in higher enlisted ratings during the World War; to the Committee on Naval Affairs.

Also, a bill (H. R. 7002) providing for the retirement of enlisted men of the Navy and Marine Corps who become physically incapacitated for active duty as an incident of their service; to the Committee on Naval Affairs.

By Mr. GRANFIELD: A bill (H. R. 7003) amending section 1, Title II, page 307, part 1, Forty-first United States Statutes at Large, and defining liquors and intoxicating liquors; to the Committee on the Judiciary.

By Mr. FREE: A bill (H. R. 7004) to provide for the acquirement of additional land for the naval air station near Sunnyvale, Calif.; to the Committee on Naval Affairs.

By Mr. NOLAN: A bill (H. R. 7005) to amend the act of March 3, 1931, to provide that the prevailing rate of wages shall be paid to laborers and mechanics on all public works, and for other purposes; to the Committee on Labor.

By Mr. GIFFORD: A bill (H. R. 7006) to liberalize the retirement law for members of the former Life Saving Service; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON of Georgia: A bill (H. R. 7007) to prevent the sale of cotton and grain in future markets; to the Committee on Agriculture.

By Mr. HOUSTON of Delaware: A bill (H. R. 7008) permitting admission to bail in extradition proceedings; to the Committee on the Judiciary.

By Mr. CARTER of Wyoming: A bill (H. R. 7009) to authorize the issuance of unrestricted patents to certain public lands; to the Committee on the Public Lands.

By Mr. TAYLOR of Colorado: A bill (H. R. 7010) to provide for revision of the boundaries of the Gunnison National Forest, Colo., and for protection, development, and utilization of the forest, watershed, range, and other resources included therein; to the Committee on the Public Lands.

By Mr. JOHNSON of Washington: A bill (H. R. 7011) to repeal the act of Congress approved May 31, 1924 (43 Stat. L. 247), entitled "An act to authorize the setting aside of certain tribal land within the Quinaielt Indian Reservation in Washington, for lighthouse purposes"; to the Committee on Indian Affairs.

By Mr. BYRNS: A bill (H. R. 7012) to establish a Department of National Defense, to consolidate therein the Department of War and the Department of the Navy, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. KOPP: A bill (H. R. 7013) granting consent to construct, maintain, and operate a dam across the Des Moines River in the State of Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Virginia: A bill (H. R. 7014) authorizing the restoration and occupation of the houses and grounds known as Belvoir on the former Lord Fairfax estate upon the Fort Humphreys Military Reservation in Fairfax County, Va., appropriating \$40,000 for such uses, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. GRANFIELD: Joint resolution (H. J. Res. 173) proposing an amendment to the Constitution of the United States repealing the eighteenth amendment and vesting in the Congress certain powers to regulate intoxicating beverages; to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 174) to repeal the national prohibition act; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: Joint resolution (H. J. Res. 175) for the relief of farmers in the drought and/or storm stricken areas of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. LINTHICUM: Joint resolution (H. J. Res. 176) authorizing and directing the Comptroller General of the United States to reopen, adjust, and settle the accounts of the city of Baltimore for advances made by the city in 1863 for the construction of works of defense, and for other purposes; to the Committee on the Judiciary.

By Mr. BOYLAN: Joint resolution (H. J. Res. 177) authorizing the selection of a site and the erection of a pedestal for the statue or memorial to Thomas Jefferson in the city of Washington, D. C.; to the Committee on the Library.

By Mr. MORTON D. HULL: Joint resolution (H. J. Res. 178) proposing a repeal of the eighteenth amendment and providing a substitute therefor; to the Committee on the Judiciary.

By Mr. LaGUARDIA: Joint resolution (H. J. Res. 179) authorizing the President by general proclamation to grant pardon and amnesty in certain war-time cases; to the Committee on the Judiciary.

By Mr. COLTON: Concurrent resolution (H. Con. Res. 10) to proclaim the third week in March as American conservation week; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 7015) granting a pension to William B. Fischer; to the Committee on Pensions.

By Mr. BACHARACH: A bill (H. R. 7016) granting an increase of pension to Susan T. Ebbecke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7017) granting an increase of pension to Amanda L. Dare; to the Committee on Invalid Pensions.

By Mr. BRUMM: A bill (H. R. 7018) granting a pension to Margaret E. Hoffman; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 7019) granting a pension to Boone Tyree; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 7020) granting a pension to Electra V. Carson; to the Committee on Invalid Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 7021) for the relief of Frank Zabkar, whose name appears in the Army records as Frank Hope; to the Committee on Military Affairs.

By Mr. CHASE: A bill (H. R. 7022) granting an increase of pension to Elvira M. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7023) granting an increase of pension to Ermona M. McKinney; to the Committee on Invalid Pensions.

By Mr. CHIPERFIELD: A bill (H. R. 7024) granting a pension to Susan Lawber; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 7025) for the relief of George F. Jones; to the Committee on Claims.

By Mr. CONDON: A bill (H. R. 7026) granting an increase of pension to Rosella O'Keefe; to the Committee on Pensions.

By Mr. CONNOLLY: A bill (H. R. 7027) granting an increase of pension to Martha Benner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7028) for the relief of William Louis Cook; to the Committee on Naval Affairs.

By Mr. COOKE: A bill (H. R. 7029) for the relief of the J. N. Adam Memorial Hospital; to the Committee on Claims.

Also, a bill (H. R. 7030) for the relief of Charlotte Martin; to the Committee on Military Affairs.

Also, a bill (H. R. 7031) granting an increase of pension to Catherine J. Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7032) granting an increase of pension to Frank A. Klein; to the Committee on Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 7033) granting an increase of pension to Rhoda E. Sperry; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 7034) for the relief of William Burke; to the Committee on Military Affairs.

Also, a bill (H. R. 7035) granting an increase of pension to Sarah A. Bellinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7036) granting an increase of pension to Amelia S. Fields; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7037) granting an increase of pension to Margaret Van Dresar; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 7038) for the relief of Frances Southard; to the Committee on Claims.

Also, a bill (H. R. 7039) granting a pension to Mary E. Ferris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7040) for the relief of Sadie Bermi; to the Committee on Claims.

Also, a bill (H. R. 7041) to correct the military record of William J. Flanagan; to the Committee on Military Affairs.

Also, a bill (H. R. 7042) to correct the military record of Simon L. Addison; to the Committee on Military Affairs.

By Mr. EVANS of California: A bill (H. R. 7043) granting a pension to Mary A. Nichols; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7044) granting a pension to Pauline Forger; to the Committee on Pensions.

By Mr. FREE: A bill (H. R. 7045) to relinquish all right, title, and interest of the United States in certain lands in the State of California; to the Committee on the Public Lands.

By Mr. GASQUE: A bill (H. R. 7046) for the relief of John S. Cathcart; to the Committee on Claims.

Also, a bill (H. R. 7047) granting a pension to Willie D. Miles; to the Committee on Pensions.

By Mr. GILLEN: A bill (H. R. 7048) granting a pension to Irl E. Moats; to the Committee on Pensions.

By Mr. GOLDER: A bill (H. R. 7049) for the relief of Joseph M. McAleer; to the Committee on Military Affairs.

Also, a bill (H. R. 7050) for the relief of Abraham Harris; to the Committee on Military Affairs.

By Mr. GRANFIELD: A bill (H. R. 7051) granting a pension to Mary R. Currier; to the Committee on Pensions.

By Mr. GREENWOOD: A bill (H. R. 7052) granting an increase of pension to Margaret A. Karr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7053) granting an increase of pension to Joanna E. Vickers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7054) granting an increase of pension to Lucy A. Vandiver; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 7055) providing for an examination and survey of Columbia River, Oreg. and Wash., and Vancouver Lake, Wash.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7056) providing for an examination and survey of Tacoma Harbor, Wash.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7057) granting a pension to Adam Johnson; to the Committee on Pensions.

By Mr. KETCHAM: A bill (H. R. 7058) granting an increase of pension to Sarah A. Gilliland; to the Committee on Invalid Pensions.

By Mr. KNIFFIN: A bill (H. R. 7059) granting an increase of pension to Mary Buhrer; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 7060) granting an increase of pension to Annie I. McCoy; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 7061) for the relief of the Maryland Casualty Co., of Baltimore, Md.; to the Committee on Claims.

Also, a bill (H. R. 7062) granting a pension to John W. Cullum; to the Committee on Pensions.

Also, a bill (H. R. 7063) for the relief of Martha Grewe; to the Committee on Claims.

Also, a bill (H. R. 7064) granting a pension to Michael Harrington; to the Committee on Pensions.

Also, a bill (H. R. 7065) for the relief of Southern Overall Co.; to the Committee on War Claims.

Also, a bill (H. R. 7066) for the relief of Annie Chapman; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 7067) granting an increase of pension to Grace E. Prior; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7068) granting an increase of pension to Mary E. Van Treese; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 7069) granting a pension to Rosalia I. Minnis; to the Committee on Invalid Pensions.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 7070) granting an increase of pension to Cora A. Cluff; to the Committee on Invalid Pensions.

By Mr. McLAUGHLIN: A bill (H. R. 7071) to remove the charge of desertion from the military record of William A. Tozer; to the Committee on Military Affairs.

By Mr. MICHENER: A bill (H. R. 7072) for the relief of Lewis W. Burden; to the Committee on Claims.

By Mr. MOREHEAD: A bill (H. R. 7073) granting an increase of pension to Francis H. P. Showalter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7074) granting a pension to Frances DuFrane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7075) granting an increase of pension to Sofrona P. Wolfe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7076) granting a pension to Fred Libbee; to the Committee on Pensions.

Also, a bill (H. R. 7077) granting an increase of pension to Lydia M. Bross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7078) granting an increase of pension to Isabella B. McCandless; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7079) for the relief of Robert Ernest Huff; to the Committee on Naval Affairs.

Also, a bill (H. R. 7080) granting a pension to Ferdinand Duve; to the Committee on Pensions.

Also, a bill (H. R. 7081) granting a pension to Oscar Linville; to the Committee on Pensions.

Also, a bill (H. R. 7082) for the relief of Norman Hazelrigg; to the Committee on Military Affairs.

By Mr. NELSON of Wisconsin: A bill (H. R. 7083) for the relief of Clarence H. Lowell; to the Committee on Military Affairs.

By Mr. PARKER of Georgia: A bill (H. R. 7084) for the relief of Edward C. Compton; to the Committee on Banking and Currency.

By Mr. PURNELL: A bill (H. R. 7085) granting a pension to John Reynolds; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 7086) granting a pension to Fannie A. Ott; to the Committee on Pensions.

By Mrs. ROGERS: A bill (H. R. 7087) granting an increase of pension to Louise J. Dittmore; to the Committee on Pensions.

By Mr. SIROVICH: A bill (H. R. 7088) granting an increase of pension to Julia May Townsend; to the Committee on Pensions.

Also, a bill (H. R. 7089) extending the benefits of the emergency officers' retirement act to Wolcott Le Clear Beard; to the Committee on World War Veterans' Legislation.

By Mr. WELCH of California: A bill (H. R. 7090) granting a pension to Julius Hansen; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 7091) granting a pension to Mary Virginia Davis; to the Committee on Pensions.

By Mr. SPARKS: A bill (H. R. 7092) for the relief of John Neu; to the Committee on Military Affairs.

By Mr. STRONG of Pennsylvania: A bill (H. R. 7093) granting an increase of pension to Martha J. Miller; to the Committee on Invalid Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 7094) authorizing the President to reappoint Harry T. Rowland, formerly an officer in the Air Service, United States Army, an officer in the Air Service, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 7095) authorizing the President to appoint Harry T. Rowland, formerly an officer in the Air Service, United States Army, an officer in the Air Service, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 7096) for the relief of the Dallas County Chapter of the American Red Cross; to the Committee on Claims.

Also, a bill (H. R. 7097) for the relief of George Lee Moreland; to the Committee on Naval Affairs.

By Mr. SUTPHIN: A bill (H. R. 7098) granting a pension to Lucretia Donnalley; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 7099) for the relief of George Bingham; to the Committee on Military Affairs.

By Mr. SWICK: A bill (H. R. 7100) granting an increase of pension to Barbara Harley; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 7101) granting an increase of pension to Almedia R. Hichborn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7102) authorizing the President of the United States to posthumously present in the name of Congress a congressional medal of honor to Lieut. Joseph F. Wehner; to the Committee on Military Affairs.

Also, a bill (H. R. 7103) granting a pension to Mary T. Calef; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7104) for the relief of John W. Rear-don, deceased; to the Committee on Naval Affairs.

Also, a bill (H. R. 7105) for the relief of John B. McGovern; to the Committee on Claims.

Also, a bill (H. R. 7106) for the relief of Stephen Conway; to the Committee on Naval Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 7107) granting a pension to Pearl E. Smith; to the Committee on Pensions.

By Mr. McCORMACK: Resolution (H. Res. 88) to pay Flora M. Shanahan, widow of Philip J. Shanahan six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said Philip J. Shanahan; to the Committee on Accounts.

By Mr. GASQUE: Resolution (H. Res. 89) to pay Fred R. Miller for extra and expert services to the Committee on Pensions; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

235. By Mr. BOYLAN: Resolution adopted at the annual meeting of the Sons of the Revolution, favoring the erection in Washington, D. C., of a memorial to Admiral de Grasse; to the Committee on the Library.

236. Also, resolution adopted at a meeting of the American Society of Civil Engineers, New York City, N. Y., approving revisions of the wording of the Interior Department appropriation bill for the fiscal year 1933; to the Committee on Appropriations.

237. By Mr. CARDEN: Petition from tobacco growers of Hart County, Ky., that the tax on tobacco be reduced; to the Committee on Ways and Means.

238. By Mr. CARTER of California: Petitions passed by the State Farmers' Convention in session at Sacramento, Calif., December 2-4, inclusive, protesting against any legislation that would cripple the Farm Board, urging a tariff on pineapples, etc., tariff on Philippine products, and other tariffs; to the Committee on Agriculture.

239. Also, petition of the San Francisco section of the American Society of Civil Engineers, urging a revision of the wording of the Interior Department appropriation bill for the fiscal year 1933 as will effect a more equitable allocation of funds to the several States; to the Committee on Appropriations.

240. Also, petition of the board of supervisors of the city and county of San Francisco, urging an amendment to the Volstead Act; to the Committee on the Judiciary.

241. Also, petition of the Pacific Rabbit Breeders' Association, of California, urging increased appropriations for maintenance of the rabbit experiment station at Fontana; to the Committee on Agriculture.

242. By Mr. CULLEN: Petition of the Sons of the Revolution, in the State of New York, urging the Congress of the United States to erect in the city of Washington, D. C., a memorial to Admiral de Grasse; to the Committee on the Library.

243. By Mr. CURRY: Petition of Journeymen Barbers Local, No. 112, Sacramento, Calif., favoring a Sunday closing law for the District of Columbia; to the Committee on the District of Columbia.

244. Also, petition of Mare Island Navy Yard Metal Trades Council, of Vallejo, indorsing legislation prohibiting the use of enlisted men in the work of overhauling, repairing, and altering vessels of the Army, Navy, and Coast Guard; to the Committee on Naval Affairs.

245. Also, petition of delegates at the Western Governors' Conference relative to a tariff on copper; to the Committee on Ways and Means.

246. Also, petition of Oil Producers Sales Agency, of California, in favor of a tariff on crude petroleum and petroleum products imported into the United States; to the Committee on Ways and Means.

247. By Mr. ENGLEBRIGHT: Petition of James K. Fisk, department adjutant, the American Legion, California department, indorsing the Carter bill (H. R. 4532) protesting any cut in appropriations for Naval Reserve aviation and asking for an appropriation sufficient to allow at least 36 hours per year flying time for each Army Air Corps Reserve pilot; to the Committee on Appropriations.

248. Also, petition of Better Housing Federation, of Los Angeles, Calif., indorsing Senate bill 3256 and House bill 5581; to the Committee on Banking and Currency.

249. By Mr. FIESINGER: Petition of 20 members of the First Methodist Church, of Fremont, Ohio, recommending the passage of House bill 2133, first session Seventy-second Congress, for the relief of Nehmiak D. Minkler; to the Committee on Invalid Pensions.

250. Also, petition of 15 members of McPherson Lodge, No. 637, I. O. O. F., of Fremont, Ohio, recommending the passage of H. R. 2133, first session, Seventy-second Congress, for the relief of Nehemiah D. Minkler; to the Committee on Invalid Pensions.

251. By Mr. FULLER: Petition of Myrtle Parks, Lena Helni, Mrs. Earl Cunningham, and 85 others, sponsored by the Woman's Study Club, of Prairie Grove, Ark., on international disarmament; to the Committee on Foreign Affairs.

252. By Mr. GARBER: Petition of R. J. Clements, president Federal Truck Co. (Inc.), Oklahoma City, Okla., protesting against placing a tax on motor trucks; to the Committee on Ways and Means.

253. Also, petition of the Vance Motor Co., Ponca City, Okla., protesting against proposed legislation affecting the price of automobiles at retail; to the Committee on Ways and Means.

254. Also, petition of the E. C. Miller Cedar Lumber Co., Aberdeen, Wash., urging adequate protection for the American lumber industry; to the Committee on Ways and Means.

255. Also, petition of W. M. Darnell, Stillwater, Okla., protesting against placing the Federal Farm Board in the Agricultural Department; to the Committee on Agriculture.

256. Also, letter from Charles W. Mason, Oklahoma City, Okla., protesting against any reduction in military appropriations; to the Committee on Appropriations.

257. Also, letter from Fred H. Merritt, Minneapolis, Minn., in regard to methods and practices of financing; to the Committee on Banking and Currency.

258. By Mrs. KAHN: Petition of California Department executive committee of the American Legion, urging the passage of House bill 4532; to the Committee on the Merchant Marine, Radio, and Fisheries.

259. Also, petition of California Department executive committee of the American Legion, protesting against any decrease in the appropriations for Naval Reserve aviation activities; to the Committee on Appropriations.

260. Also, petition of California Department executive committee of the American Legion, urging that an appropriation be made to allow at least 36 hours per year flying time for each Army Air Corps Reserve pilot; to the Committee on Appropriations.

261. By Mr. KVALE: Petition signed by Guren Kvernes and 73 citizens of Renville, Minn., and vicinity, urging the enactment of Senate bill 1197; to the Committee on Agriculture.

262. Also, petition of Woman's Christian Temperance Union of Benson, Minn., urging enforcement of the eighteenth amendment; to the Committee on the Judiciary.

263. Also, petition of Release Lodge, No. 579, Brotherhood of Locomotive Firemen and Enginemen, Montevideo, Minn., with reference to water transportation; to the Committee on Rivers and Harbors.

264. By Mr. PATTERSON: Petition to make available a fund to be loaned to the farmers of Tallapoosa County, Ala., in a similar way as the drought loan of 1931; to the Committee on Agriculture.

265. By Mr. SNOW: Petition of Rev. J. O. Bouchard and many others of St. Francis, Me., favoring a duty on pulpwood and firewood; to the Committee on Ways and Means.

266. Also, petition of Rev. Albert Charette and many others of Grand Isle, Me., favoring a duty on pulpwood and firewood; to the Committee on Ways and Means.

267. Also, petition of F. D. Fournier, of St. David, Me., and many others favoring a duty on pulpwood and firewood; to the Committee on Ways and Means.

268. Also, petition of Fred Pelletier and many others of St. John Plantation, Me., favoring a duty on pulpwood and firewood; to the Committee on Ways and Means.

269. By Mr. WELCH of California: Petition of the American Legion of the Department of California on naval-reserve aviation; to the Committee on Naval Affairs.

270. Also, petition of the American Legion of the Department of California on the Army Air Corps Reserve; to the Committee on Military Affairs.

SENATE

WEDNESDAY, JANUARY 6, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Most loving Father who givest to us all the spirit of grace and of supplication, we beseech Thee for Thy compassion's sake to sanctify this day our thoughts, our words, and our actions, that they may be attuned to Thy most holy purpose. In olden days the wise men guided by a star made earnest quest to find their king and, lo, they found a babe. So lead us now by the star of love to life's most sacred shrine where we may find the Christ Child cradled in each human and yield to Him our royal gifts, that pain and suffering, privation and poverty, woe and want, fear and despair may be relieved through Thy ministry in us. Grant this for His sake, who said "Inasmuch as ye did it unto one of the least of these my brethren you have done it unto me." Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hattigan, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 2) to pay Anna Jarvis a sum equal to six months' compensation of the late Grant Jarvis.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Harrison	McKellar
Austin	Costigan	Hastings	McNary
Bailey	Couzens	Hatfield	Metcalf
Barbour	Cutting	Hawes	Morrison
Barkley	Dale	Hayden	Moses
Bingham	Davis	Hebert	Neely
Black	Dickinson	Howell	Norbeck
Blaine	Dill	Hull	Norris
Borah	Fess	Johnson	Nye
Bratton	Fletcher	Jones	Patterson
Brookhart	Frazier	Kean	Robinson, Ark.
Bulkeley	George	Kendrick	Robinson, Ind.
Bulow	Glass	Keyes	Sheppard
Byrnes	Glenn	King	Shipstead
Capper	Goldsborough	La Follette	Shortridge
Caraway	Gore	Lewis	Smith
Connally	Hale	Logan	Smoot
Coolidge	Harris	McGill	Steiwer

Thomas, Idaho	Tydings	Walsh, Mass.	Wheeler
Thomas, Okla.	Vandenberg	Walsh, Mont.	White
Townsend	Wagner	Waterman	
Trammell	Walcott	Watson	

Mr. BLACK. I desire to announce that my colleague the junior Senator from Alabama [Mr. BANKHEAD] is detained from the Senate on official business.

Mr. KENDRICK. My colleague the junior Senator from Wyoming [Mr. CAREY] is necessarily detained on official business. I ask that this announcement may stand for the day as to roll calls.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

LAWLESSNESS IN LAW ENFORCEMENT

The VICE PRESIDENT laid before the Senate a communication from the Attorney General transmitting, in compliance with Senate Resolution 116 (agreed to December 21, 1931) and pursuant to the direction of the President of the United States, certain reports of experts of the National Commission on Law Observance and Enforcement prepared under the direction of Judge William S. Kenyon, etc., which, with the accompanying documents, was referred to the Committee on the Judiciary.

APPENDIX TO COST-ASCERTAINMENT REPORT, POSTAL SERVICE

The VICE PRESIDENT laid before the Senate the appendix to the cost-ascertainment report of the Post Office Department for the fiscal year 1931, submitted by the Postmaster General in connection with the cost-ascertainment report heretofore transmitted by him, which was referred to the Committee on Post Offices and Post Roads.

REPORT OF GEORGETOWN BARGE, DOCK, ELEVATOR & RAILWAY CO.

The VICE PRESIDENT laid before the Senate a communication from Hamilton & Hamilton, attorneys, of Washington, D. C., transmitting, in compliance with law, the annual report of the Georgetown Barge, Dock, Elevator & Railway Co. for the year ended December 31, 1931, which was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Norman Baker, of Muscatine, Iowa, praying for an investigation of the Federal Radio Commission, with reference to the operation of radio station KTNT and the matter of free speech and censorship, especially in connection with the subject of a cancer cure, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

Mr. BARBOUR presented resolutions adopted by members of the Rutherford (N. J.) Rotary Club, favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

Mr. SHEPPARD presented a petition of sundry citizens of Kyle, Tex., praying that steps be taken against war and in behalf of disarmament, which was referred to the Committee on Foreign Relations.

Mr. SHIPSTEAD presented petitions of sundry citizens of the State of Minnesota, praying for the passage of legislation known as the farmers' farm relief act, which were referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of Menahga, Minn., praying for the reduction of taxation and governmental expenditures, which was referred to the Committee on Finance.

Mr. COPELAND presented a memorial of sundry citizens of Schenectady, N. Y., remonstrating against the submission of the question of repeal of the eighteenth amendment to the various States, which was referred to the Committee on the Judiciary.

PUBLIC-BUILDINGS PROGRAM

Mr. COPELAND. Mr. President, I have had communications from my State asking about the condition of the public-buildings program of the Government. I do not see the senior Senator from Utah [Mr. SMOOT] in his seat, but perhaps some other Senator can answer me.